DOMINION OF CANADA

OFFICIAL REPORT

OF

DEBATES

HOUSE OF COMMONS

SECOND SESSION—NINETEENTH PARLIAMENT

4-5 GEORGE VI, 1941

VOLUME I, 1941

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1941

CANADA

House of Commons Debates

OFFICIAL REPORT

Thursday, November 7, 1940.

SECOND SESSION—NINETEENTH PARLIAMENT—OPENING

The parliament which had been prorogued on the fifth day of November, 1940, met this day at Ottawa, for the dispatch of business.

The house met at three o'clock, the Speaker in the chair.

Mr. Speaker read a communication from the Governor General's secretary, announcing that His Excellency the Governor General would proceed to the Senate chamber at three p.m. on this day, for the purpose of formally opening the session of the dominion parliament.

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

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

Accordingly the house went up to the Senate chamber.

And the house having returned to the Commons chamber:

OATHS OF OFFICE

Right Hon. W. L. MACKENZIE KING (Prime Minister) moved for leave to introduce Bill No. 1, respecting the administration of oaths of office.

Motion agreed to and bill read the first time.

GOVERNOR GENERAL'S SPEECH

Mr. SPEAKER: I have the honour to inform the house that when the house did attend His Excellency the Governor General this day in the Senate chamber, His Excellency was pleased to make a speech to both houses of parliament. To prevent mistakes, I have obtained a copy, which is as follows:

Honourable Members of the Senate:

Members of the House of Commons:

Since last you met for deliberation, all countries have come to have a clearer conception of the magnitude of the present conflict and its menace to civilization. Additional nations have been threatened with war, or have become involved in war. But little of freedom is now left in Europe. Force and fear have been supplemented by subtle intrigue. International tension has been heightened by the formation of an alliance between the axis powers and Japan.

While these events have added enormously to the uncertainties of the world situation, other events of even greater significance have served to confirm our confidence in the ultimate outcome of the struggle. First and foremost has been the magnificent resistance of the United Kingdom. For four months, Britain has constituted the front line of battle against the forces of aggression. The spectacular advance of the enemy has been halted by the indomitable spirit of her people.

The destruction of freedom throughout Europe has awakened, in the western hemisphere, a fuller consciousness of the nazi menace. In the face of the common peril there has arisen a closer association and an increasing measure of cooperation between the United States of America and the nations of the British commonwealth.

You have been summoned at this time that opportunity may be afforded for the fullest consideration and discussion of Canada's war effort and of national problems which war has served to intensify or create. You will be fully advised of international developments; of Canada's cooperation with the United Kingdom, and of relations with the United States. The measures which will be submitted to you are such as seem necessary to my advisers for the welfare of the country, and for the prosecution of the war to the utmost of our strength.

Members of the House of Commons:

You will be asked to make financial provision for expenditure caused by the state of war which now exists. The estimates for the current fiscal year will be duly submitted to you for your consideration and approval.

Honourable Members of the Senate:

Members of the House of Commons:

In the discharge of your very responsible duties may Divine Providence guide and bless your deliberations.

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

That the speech of His Excellency the Governor General to both houses of parliament be taken into consideration on Friday next, and that this order have precedence over all other business except the introduction of bills, government notices of motion and government orders, until disposed of.

Motion agreed to.

STANDING COMMITTEES

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

That a special committee be appointed to prepare and report with all convenient speed, lists of members to compose the standing committees of this house, under standing order 63, said committee to be composed of Messrs. Mackenzie (Vancouver Centre), Casgrain, Casselman (Grenville-Dundas), Taylor and Johnston (Bow River).

Motion agreed to.

INTERNAL ECONOMY COMMISSION

Right Hon. W. L. MACKENZIE KING (Prime Minister) presented the following message from His Excellency the Governor General:

The Governor General transmits to the House of Commons a certified copy of an approved minute of council appointing the Honourable T. A. Crerar, Minister of Mines and Resources, the Right Honourable Ernest Lapointe, Minister of Justice, the Honourable J. L. Ralston, Minister of National Defence, and the Honourable J. L. Ilsley, Minister of Finance, to act with the Speaker of the House of Commons as commissioners for the purposes and under the provisions of chapter 145 of the revised statutes of Canada, 1927, intituled An Act Respecting the House of Commons.

WAR MEASURES ACT

TABLING OF ORDERS IN COUNCIL PASSED SINCE JUNE 30, 1940

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, during the preceding session I tabled copies of orders in council which had been passed under authority of the War Measures Act from August 25, 1939, to June 30 of this year. I wish now to lay on the table copies of the orders in council which have been passed since June 30, until November 2.

DOMINION-PROVINCIAL RELATIONS

PROPOSED CONFERENCE WITH PROVINCES ON RECOMMENDATIONS MADE BY ROYAL COMMISSION

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, on Saturday, November 2, I sent in identical terms to each provincial premier a communication respecting the report of the royal commission on dominion-provincial relations. In that communication I mentioned that the government would seek an adjournment of the House of Commons during the month of January in order to permit of the dominion having a conference with the provinces with respect to this report.

In the letter I stated that the report commended itself to the judgment of the government, and that we should like to have an opportunity of presenting our views to the provinces in order that there might be a full consideration of them. I expressed the hope that at that time it might be possible to reach an agreement between the provinces and the dominion with respect to the recommendations contained in the report.

I need not review what I set forth in the communication, but I would suggest that the letter itself might be printed in the votes and proceedings in order that it may appear in the records of the house and that hon. members may be in a position to read the text in full.

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

BUSINESS OF THE HOUSE

TABLING OF COMMUNICATIONS RESPECTING ADJOURNMENT OR PROROGATION OF PARLIAMENT ON NOVEMBER 5

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I have in my hand copies of some communications which passed between the leader of the opposition (Mr. Hanson) and myself with respect to adjournment or prorogation of parliament on November 5. My hon. friend is agreeable, as I am, to having these communications tabled. I would suggest that they, too, appear in votes and proceedings, so that hon. members may have an opportunity to read them.

REMEMBRANCE DAY—ADJOURNMENT FOR OBSERVANCE OF STATUTORY HOLIDAY

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, it has been intimated to me that, in view of the fact Monday next is the statutory holiday known as remembrance day, a number of hon. members would like to be present in their constituencies on that day. I am advised, too, that the legion would appreciate it very much if parliament should make that possible by not sitting on Monday next, unless such sitting were absolutely imperative.

In the circumstances I move:

That when the house adjourns on Friday, November 8, it stand adjourned until Tuesday, November 12.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I realize that this motion is not debatable. I rise not for the

purpose of debating it but rather for that of expressing concurrence. In addition to the matter of the convenience of hon. members there is the point that remembrance day is a national and statutory holiday, and one dear to the hearts of a large number of our people. In my view it is most fitting that the house should adjourn for the purpose of observing remembrance day.

Motion agreed to.

ACTING DEPUTY SERGEANT-AT-ARMS

Mr. SPEAKER: I have the honour to inform the house that I have appointed J. Laundy to be acting deputy sergeant-at-arms during the present session.

On motion of Mr. Mackenzie King the house adjourned at 3.55 p.m.

Friday, November 8, 1940.

The house met at three o'clock.

WAR MATERIALS

PRESS REPORT AS TO ASSISTANCE BY THE UNITED STATES IN EMPIRE WAR EFFORT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I desire to make a brief statement and to base thereon a question to the Prime Minister (Mr. Mackenzie King). I regret exceedingly that the matter was brought to my attention so late that I could not apprise him of the subject matter, and if that is embarrassing or inconvenient I should not expect an immediate answer.

It is reported to me by the press that the president of the United States has stated that Great Britain and Canada will get one-half of the flying fortresses and other fighting planes, arms and munitions produced in the United States. I would ask the Prime Minister if this report has come to his attention, and if so, has he any statement to make on behalf of the government with respect to it?

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I say to my hon. friend that what he has just read is the first intimation I have had of any such report.

WATER DIVERSION

OGOKI AND KENOGAMI RIVERS—COMMUNICATIONS BETWEEN UNITED STATES AND CANADIAN GOVERNMENTS

On the orders of the day:

Mr. J. R. MacNICOL (Davenport): Before the orders of the day are called, may I ask the Prime Minister (Mr. Mackenzie King) if an agreement has been made with the United States with reference to the diversion of certain rivers in northern Ontario, namely the Ogoki and the Kenogami; and if so, has the agreement been tabled; and if not, is he in a position to advise us when it will be?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I shall be glad to lay on the table on Tuesday the communications recently exchanged between the United States and Canada as related to the development of power on the international rapids section of the St. Lawrence, and as respects the diversion of the Ogoki and other waters of the north into lake Superior. There has been an exchange of communications on the subject.

GOVERNOR GENERAL'S SPEECH

ADDRESS IN REPLY, MOVED BY MR. BROOKE CLAXTON AND SECONDED BY MR. RENÉ JUTRAS

The house proceeded to the consideration of the speech delivered by His Excellency the Governor General at the opening of the session.

Mr. BROOKE CLAXTON (St. Lawrence-St. George) moved:

That the following address be presented to His Excellency the Governor General of Canada:

To His Excellency the Right Honourable Earl of Athlone, Knight of Our Most Noble Order of the Garter, a member of Our Most Honourable Privy Council, Knight Grand Cross of Our Most Honourable Order of the Bath, Grand Master of Our Most Distinguished Order of Saint Michael and Saint George, Governor General and Commander in Chief of Our Dominion of Canada.

May it Please Your Excellency:

We, His Majesty's most dutiful and loyal subjects, the House of Commons of Canada, in parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious Speech which Your Excellency has addressed to both houses of parliament.

He said: Mr. Speaker, in rising to present this motion I realize that a heavy responsibility rests on me at this momentous time.

I must first acknowledge the honour paid to the constituency of St. Lawrence-St. George. The honour recognizes the importance of the division in the life of Canada. Everyone in this house is already familiar with its many interests and advantages. The division is a true reflection of the complex character of Canadian life. Although its citizens are predominantly of English or French descent, it is interesting to note that during the national registration one office registered people speaking no less than twenty-two languages.

The division also reflects our troubled times. McGill university has given hospitality to the international labour organization. I feel that hon. members, and indeed all Canadians, will share our satisfaction that we have been privileged to welcome this great institution. All of us hope that the time may not be far distant when in a wider field it can resume its work for the good of humanity. That will come when the world has been freed from the cancerous growth of Hitlerism, sprawling over Europe, causing more suffering than has ever been caused before.

I feel I correctly interpret the interests and views of St. Lawrence-St. George when I say that we seek no local interest, we want no personal advantage, we are not interested in partisan politics. Every true Canadian feels the same to-day. We seek the welfare of Canada and of every part of it. We are as much concerned in the prosperity of the wheat farmer on the plains and of the fisherman on our coasts as in that of our own workers. We join with all others in seeking the defence and security of our own country. This means that to-day we should do everything in our power to aid Britain in her fight on our front line. The courage and fortitude displayed by her men and women have won the admiration of the world.

The greatest things are of the spirit. You cannot see or touch or hear them. In fact you can hardly describe or express them. They are things which take place in the minds and souls of people. In all recorded history there are few greater examples of this than the spirit which has arisen among the people of Great Britain in recent months. It is the spirit of Britain, revealed anew in the miracle of Dunkirk, and reaffirmed each day by the ordinary citizen's attitude to the worst the enemy can do. Men will talk of this as long as there is history, long after everyone has forgotten gains or losses of territory and power.

In Canada we admire the spirit that has gripped the people of Britain. We give thanks that it has stopped the onward rush toward us of the evil forces loosed in Europe.

Next to Britain, Canada is the strongest power facing the enemy to-day. The speech from the throne is a reminder to parliament and the country of just how huge our national assignment is. The government is leading the country in a stupendous effort. We know much of what has been done and what is under way. We are waiting to hear more from the government as the session proceeds. We know of the immense expansion of our forces. To the three services, over 200,000 Canadians have streamed from the farms and mines, the factories and offices, the universities and the professions to answer the call that they heard in their own hearts. They are as fine men as the world has ever seen. Their number has doubled since this parliament met six months ago. More than two divisions are in England in the front line. From all sides we hear that they are fit and trained, ready to maintain the high traditions of the Canadian corps.

At sea we now have twelve destroyers and more than 100 other vessels taking a major part in convoying the stream of supplies and food we are steadily sending across the seas. Every one of us is proud of what the Canadian navy has done in its far-flung operations. Not long ago the *Prince Robert* captured a German vessel in the Pacific and took it as a prize to Esquimalt.

Mr. HANSON (York-Sunbury): An armed merchantman.

Mr. CLAXTON: Yes. But there is unfortunately the dark side. We learned with sadness of the loss of the *Margaree* with its gallant commanding officer and so many of its brave officers and men. To their mothers and wives no words can express our sympathy. We can share their pride; we cannot share their sorrow. These men are a noble example to us all. They gave their lives in the service of our country.

We hear of the immense progress being made in the air training plan, which the new Secretary of State for the Dominions, Lord Cranborne, said a few days ago "is months ahead of schedule." The country is beginning to appreciate its magnitude, its complexity and its importance. It may be a vital factor in victory. At Winnipeg, Toronto, London, Ottawa, Montreal, to my knowledge, and I dare say at every other Canadian city, the roaring hornets of the Minister of National Defence for Air (Mr. Power) insistently remind us that his boys are at work from early dawn to starry eve, nights, Sundays and holidays as well. We need have no fear about the quality of our fliers. The record of the Royal Canadian Air Force abroad has already shown that they can equal the record of Canadian airmen in the last war. Nothing better can be said than that.

We know, too, of the progress in the production of war materials and of the new establishments under construction. It is estimated that these will produce munitions having in annual value the colossal sum of $800,000,000. Our workers, counted now by the hundreds of thousands, form a great working party whose contributions are as vital to the fighting forces of Canada as those of the men in uniform. These workers have

responded with splendid resource and willing industry to the heavy demands made on them. They are playing their full part.

To gear the resources of a country like Canada to make the utmost effort takes time. Each new undertaking creates new problems. Inevitably there have been delays and difficulties. Inevitably there will be shortcomings, mistakes, disappointments. Our supplies of men and resources are by no means unlimited. Even if we had unlimited money we could not buy things which do not exist. We must avoid the danger of dissipating our efforts, spreading ourselves too thin. This war is not like the last war. The Germans have probably less than one-third the men under arms they and their allies then had.

What we do and what we are going to do require long-term planning. The conflicting demands of the armed forces and of industry upon our limited man-power have to be resolved. Priorities must be established. We are already training many workers; we shall have to train more. We might start in now with an additional 100,000 men and an additional 100,000 women and find, a year from now, that we had not trained half enough.

The immense job of getting our war machine under way has been done with little or no dislocation of our day to day economy. This is not due simply to accident. National finance, the control of prices and the supply of raw materials are among the many services that have been superbly handled. I know that bankers like to remain as anonymous as they are inscrutable, but it is only fair to say that the Canadian economy could not have been transformed smoothly from a peace-time to a war basis without the technical skill of the Bank of Canada.

The financial burden is great and it is becoming even greater. People have not yet begun to realize what it means. If the estimated economies on ordinary account of $50,000,000 are realized this year, the government's ordinary expenditure will be about $450,000,000. The Minister of Finance (Mr. Ilsley) has estimated that the war cost for this first year may amount to $940,000,000. That is about twice the cost of the final year of the last war and more than twice the peace-time budget. We hope to meet two-thirds of all our expenditures this year out of taxes and one-third out of internal loans that have already been made.

Last week I was in the United States describing what we were doing, and I found that its magnitude impressed people, even those who were accustomed to the astronomical figures that they deal with in that country.

We have gone through the period of initial expansion, of new taxes, new loans and greatly increased production. It all seems to have worked out as planned in the war budgets which won the admiration of every one. It is now becoming evident that we are not going to be able to produce all the war materials that we shall need unless we restrict the consumption of articles which divert work or materials from war purposes. The diversion from private consumption to public use is a puzzling question to the individual, but the time is coming when the government will have to show the ordinary citizen where his duty lies in this respect. No more will be needed than that.

The experience of the second war loan campaign showed that when the people realized what was expected of them there was no lack of response. The fact is that while we have supported national participation we are only beginning to translate national sentiment into personal action. Few of us have yet begun to give up things we like, still less things we think we need. Unless we also tighten our belts, our effort will fall short of what is necessary to stop the nazis. We must consume less, save more and steadily invest in war savings certificates and war loans.

In Canada many of the essentials of war production do not exist in sufficient quantities. Machine tools are one example. We must get them from the United States and we must pay for them in United States dollars. I understand that in the first year of war we spent in the United States $220,000,000 more than we spent the previous year. Disregarding anything from Britain, the balance of payments against us may well run to a figure of $160,000,000. We may in part offset even larger balances to come by further increasing our exports, or by decreasing our imports of United States goods for civilian purposes. But the best way, as far as it goes, is to increase our tourist trade. With the increased friendly interest in Canada being shown in the United States I believe this can be done. It can be done if the Canadian people are made to realize its importance, and if all the agencies which can help to promote it are fully mobilized. I hope that the government will see its way clear to spend not less than a million dollars on the encouragement of this business. It would not only bring dividends of badly needed United States dollars but also mean the continuance and strengthening of normal friendly relations with our good neighbour; for the tourist trade is not only a sinew of war, it is a tie of friendship. It is a great human industry, a moving belt of common understanding

running north and south, all the way along the line between the Pacific and the Atlantic seaboards.

And our relations with the United States are to-day more important than ever before. While we are helping Britain and defending ourselves on the front line we are also playing our part by joining with the United States in the defence of our heritage and our way of life on this continent.

The setting up of a permanent joint board on defence was the most momentous, the most heartening step ever taken in the relations between Canada and the United States. Now that the step has been taken we realize that since we have a common interest it is only common sense that we should cooperate in making the best use of our resources of men and materials, and should have a joint plan of defence. Some governments might have sat back and drifted along, letting the opportunity go by of achieving this great stroke for our country's welfare. By their actions the governments of the United States and Canada showed that democracies can act together decisively; they gave a great demonstration of leadership and proved that we have not outgrown the tradition of treating new situations as soluble problems.

The announcement came as a surprise to Canada no less than to the United States or England, but it was received on all sides with acclaim because it was such plain common sense. That is what a policy requiring initiative and daring always appears to be when it has been successfully carried out.

In Canada there were a few people—just a handful—who, not wishing or not daring to oppose the agreement, took refuge in complaining of the way in which it was made, or of the people who had made it. In England it was acclaimed at once, without these local qualifications. It was realized there that it helped Britain when she most needed aid. It was realized that it was not just a coincidence that joint defence, bases and destroyers were dealt with in a couple of weeks. It was realized too that our Prime Minister (Mr. Mackenzie King) had played a leading part in bringing about this, the greatest act of cooperation among English speaking peoples since the war of independence. Here is what a writer in the London *Spectator* said, in the issue of September 6:

> A Canadian soldier to whom I gave a lift on Sunday reminded me of something I ought to have commented on before, the extent of the debt that the whole commonwealth owes to Mr. Mackenzie King, the Prime Minister of Canada, for the part he has played in cementing relations between the commonwealth and the United States. At earlier stages in his parliamentary career Mr. King has been bitterly criticized by his opponents for what was regarded as his too "pro-American" attitude. The harvest that attitude, so far as it existed, is bearing now is such as to close all cavillers' mouths. Canada seems always destined to be the link and the interpreter between Great Britain and the United States, and it has never filled that role more effectively or more valuably than to-day. That is due in no small measure to the personal friendship between the Canadian Prime Minister and the American president which rids contacts between them, whether by telephone or in the flesh, of every vestige of formality.

As far as I have read it, the English press was unanimous to the same effect. Some of it went much further.

The concluding sentence of the passage I read explains the feeling that some Americans had that some Canadians might prefer the reelection of President Roosevelt. We certainly congratulate him most heartily on his reelection. But we would equally have congratulated Mr. Willkie and ourselves had he been favoured by the electors; for, despite the temptations of a political campaign, there seemed to us to be no fundamental difference in the declared policies of the two candidates so far as they affected us. They wanted to give all aid to Britain short of war, and that seems to be the view of the great majority of the people of the United States.

We are grateful from the bottom of our hearts for what the United States is doing.

A few days after the announcement of the exchange of destroyers for bases, the following telegram was sent by Mr. Churchill to the Prime Minister, on September 13:

> I am touched by the personal kindness of your telegram and all our people are cheered and fortified to feel that Canada is with the mother country heart and soul. The fine Canadian divisions which are standing on guard with us will play a notable part should the enemy succeed in setting foot on our shores. I am very glad to have this opportunity of thanking you personally for all you have done for the common cause and especially in promoting the harmony of sentiment throughout the new world. This deep understanding will be a dominant factor in the rescue of Europe from a relapse into the dark ages.
>
> On behalf of the government and people of the United Kingdom I send you heartfelt thanks for your memorable message.

Canada has not only helped Britain by promoting harmony of sentiment on this continent, but that very harmony, by strengthening Canada, has increased her own capacity to help Britain.

Think now of what has happened at home. Canada entered the war united, and the way in which we entered the war, by a separate declaration, was of the utmost importance in securing the unity which resulted. It was important in Canada among those people who put Canada first; it was important in the

United States, as showing that Canada, a north American nation, had seen fit to enter the war of its own accord. Since we entered the war, that unity of the Canadian people has steadily strengthened, by reason of the increasing realization by all Canadians of their essential unity and of their essential interest in defeating Hitler in Europe.

In a message issued on St. Jean Baptiste day the Prime Minister said:

The tragic fate of France leaves to French Canada the duty of upholding the tradition of French culture and civilization and the French passion for liberty in the world. This new responsibility will, I believe, be accepted proudly.

It has been accepted proudly, Mr. Speaker. French Canada yields place to no one in its loyalty to this country. To-day we are glad to think that there are twenty-one members of this house in military service of one kind or another. We congratulate them, we envy them, and we wish them good fortune. We are proud to say that of the twenty-one, seven are French Canadians from the province of Quebec. No Canadian will ever forget the part played in achieving this unity on October 25 by the right hon. Minister of Justice (Mr. Lapointe). Is there a member here who doubts that this was a victory for the true spirit of Quebec? Since then Mr. Godbout, the premier of Quebec, has stood loyally for its best traditions. His Eminence the Cardinal and His Excellency the Archbishop of Montreal also have raised their voices in support of Canada's cause.

I am glad to be the first to congratulate the government on the appointment of a new senator, Hon. Mercier Gouin. Incidentally this makes five senators who live in the constituency of St. Lawrence-St. George. Senator Gouin is the son of a man who rendered great service to Quebec and to Canada, but he has earned this honour in his own right. Without lessening his proud attachment to his own people he has worked night and day to promote harmony between both races and for the welfare of Canada. His appointment will give the utmost satisfaction throughout Quebec and the whole country.

The English-speaking citizens of Canada should appreciate how difficult some of us make it for French-Canadians to have a loyalty to all of Canada. I should like to try to explain what I mean. Some people in Canada voice a kind of loyalty which, by definition, no Canadian of non-British descent can share. In being more British than the English, they astonish the English, but tend to drive Canadians of other origins, sometimes back to their ancient affiliations and sometimes to a local loyalty. If some of us have a feeling about Canada which French-Canadians cannot share, is it surprising that some French-Canadians should also have a loyalty which is exclusive, a loyalty to their own province and their own race? After all, too, they have been here for some two hundred and fifty years before confederation.

The one common ground on which all Canadians can meet is a common loyalty to Canada. If this country is to be as strong as it can be, it must be strong on the basis of understanding, tolerance and respect by all for differing views honestly held; and it can only be on the basis of an attachment to Canada, all of it.

Do you remember what Lord Tweedsmuir said to the Canadian Institute of International Affairs on October 10, 1937:

This is a sovereign nation and cannot take her attitude to the world docilely from Britain, or from the United States, or from anybody else. A Canadian's first loyalty is not the British commonwealth of nations, but to Canada, and to Canada's king, and those who deny this are doing, to my mind, a great disservice to the commonwealth.

The profound truth of his final observation has been borne out by everything that has happened since the beginning of the war.

To-day Canada is united as never before, grimly engaged in utilizing her resources of power, agriculture and minerals, her industry and her men, in the best possible way to defend our front line in Britain. We are encouraged to do our utmost by the pride we feel in the courage shown by the people of that beleaguered country. Visitors coming from England speak of the people being happy there. They are happy because they have looked danger and death in the face and kept on smiling. They are happy because of the changes that have come about in English life: the sharing of risks and work, the levelling out of privilege, the new spirit arising out of the equal sacrifice, the new efficiency coming out of working together. The country is being literally reborn in the ordeal of fire. The sword of democracy is being reforged in England with a keener edge. You remember near the end of Pilgrim's Progress, when Hopeful starts to cross the dark river. It is an awesome experience, but towards midstream Hopeful calls back in ringing tones:

Be of good cheer, my brother. I have felt the bottom and it is sound.

That is what the spirit of England says to us to-day. It speaks to us through the words and deeds of the men and women, and the children too, who are in its front line. It finds its echo in the imperishable words of its inspired and inspiring leader, Mr. Winston

Churchill. Hon. members will be familiar with the magnificent passage with which he concluded his speech on October 8. I shall not repeat it, because already it is known to all of you. It has become part of the literature of England.

Our government can make plans, let contracts, set up new producing companies, levy taxes and ask for loans. All these things it has been doing and will continue to do at an increasing rate. But what Canada accomplishes will depend on her people, and what they do will depend on their own will, their own spirit. That is why it is essential that the government keep the people informed, in the greatest possible measure, of what it is doing; that it gain understanding for its actions, and do everything it can to develop in the nation a spirit that can do for Canada what it has done for the people of Britain. There they have a popular war-time catchword to the effect that civilians are suffering more from the bombing than are the men in the front lines, in the armed forces. The figures given this week by Mr. Churchill show this to be true. There is little likelihood just now that civilians in Canada will have to stand up to bombing, but they are going to have to make other sacrifices. They are going to have to give up for the war cause many of the things they otherwise would have. They are going to have to deprive themselves until it hurts. Soldiers, sailors and airmen, munitions workers and producers of all kinds, are going to have to play their vital part; but ordinary people, too, will be called upon for sacrifices. That is why we need and are glad to have a united national spirit. In the hard world we live in it is not enough for a nation to defend its old way of living, to try to maintain the easy ways to which it was accustomed. The past year has shown that nations which try to hold a shield in front of a body lacking in vigour are lost. We have only to compare the Britain of to-day with the France of June to bring home this lesson. To survive against the powerful desperate marauders ranging the world, a nation must have a driving power within itself.

In all history those who have prevailed have always been those who were driven by a common desire for something better. Democracy is far from dead in the world, far from being a spent force. But if we are to beat back the evil powers—and they are strong—we must have a dynamic democracy, one that has hitting power because it is moving forward, one that has not lost its force through standing still. This idea was emphasized by Lord Baldwin at Toronto in 1939, when he said:

[Mr Claxton.]

> Democracies must attain to new levels of technical efficiency for self-defence and learn to cooperate.

And he added that democracies must strive with more insistence and passion than ever before to make real the twin ideals of social justice and individual freedom.

Well, in Canada we have plenty of opportunity. We can begin with the Sirois report. The government is to be congratulated on the step in this direction announced yesterday. The report is not only a great state document, resulting from years of study and work, but, without altering the fundamentals of confederation, it represents a new charter for the people of all Canada. People from end to end of Canada would like to see it implemented, because they know that we cannot get along in a very difficult twentieth century world with a constitution which was designed to meet the financial and social needs and conditions of the nineteenth century.

I had the honour of being associated with my friend Senator Gouin in a study for the Sirois commission. Our study is printed at appendix 8 and this is what we say at page 33:

> There is to-day an uncertainty and a sense of frustration comparable to the conditions which confederation was intended to improve. It is no part of our duty to recommend what course should be followed, but we believe that the picture of legislative confusion outlined in the pages which follow shows that constructive steps must now be taken if the needs of the Canadian people are to be properly met and if the integrity of Canada is to be preserved.

That was written in 1939, when neither of us imagined that we could be here to join with you in doing what we can to clear the air of this continual "miasma which we meet at every turn as to the respective jurisdiction of the dominion and of the provinces" as one highly respected private member put it some years ago. We are ready to-day to show the same self-reliance, the confidence, the faith that the fathers of confederation had seventy-three years ago.

Some critics may object that the recommendations of the Sirois report should be left until after the war, that it is our business to get on with the war. We can get on with the war effectively only if we are strong at home. In war the strength of the home front is as essential to success as strength on the battle front. In reality to-day there are not two fronts but only one. For this reason we should be planning, working, directing every effort to make Canada a better place, to make Canadians better citizens, so that our contribution to the cause we have at heart will be more effective and more successful.

In all the fields of government and education, in the training of skilled labour, in

public health and charitable and social services, yes, even in art and music, and certainly in religion, we should be doing what we can to make our bodies tough and our minds strong and our hearts warm with affection for our country. All the modern instruments of press, radio, film, should spread words, music, pictures, all used to intensify among Canadians their knowledge and love of Canada. And we cannot fight a long, grim war without opportunities "to enliven our sentiments in common."

Lord Baldwin expressed two ideas. I have said a word about democracy's attaining new levels of efficiency. May I conclude by repeating his reference to the other subject of social justice and freedom. He said:

> We must strive with more insistence and passion than ever before to make real the twin ideals of social justice and individual freedom.

It seems appropriate to relate what I have to say on this score to the resignation of the hon. member for Winnipeg North Centre (Mr. Woodsworth) from the leadership of the Co-operative Commonwealth Federation. However much some hon. members disagreed with the policies he advocated, they could not help respecting the sincerity of his views or the fearless way in which he put them forward. What is important is that he had the right to express his views. If we are sincere in our desire to defend democracy, we must practise democracy as well as preach it. In war time there must be limitations, but we must be sure that those limitations are really necessary to preserve the security of the democratic state for which we are fighting.

We say, Mr. Speaker, that Canada is going to put forth her utmost effort. We can put forth our utmost effort because we have a burning faith in our cause, because we believe that our democracy is worth living for, working for, dying for. In this we shall be inspired by the spirit of the British people and by the sacred recollection of everything that has been accomplished before us in Canada. Our people are prepared to do any service, to make every sacrifice for their country, Canada.

It does us good now and then to restate our faith in our own country. When this war is over Canada will still be here with the same land and forests and lakes it had before. Our fields, our mines, our water powers are not surpassed anywhere. Long after Hitler has gone to his dismal end, they will be here and there will be Canadians to use them. We are all working for one end. This government, this parliament, this people, are united in the confidence that we can overcome all obstacles. Out of this ordeal of fire we can forge a new and better Canada, and make our proper contribution to the good life of our people, and all others.

Mr. RENE JUTRAS (Provencher) (Translation): Mr. Speaker, I should like to draw attention to the fluency and eloquence of the hon. member for St. Lawrence-St. George (Mr. Claxton) and to tender him my sincere congratulations. Following the noble words which you have been privileged to hear and applaud, and bearing in mind the fact that I represent here a constituency whose very name, Provencher, recalls the virtues and devotion of the great prelate who brought into outstanding prominence the name of my race, and who, with the cross, implanted civilization in Manitoba, I feel constrained to request your kind consideration.

On this occasion, as a free member of a free parliament, a title whose importance and honour I fully appreciate to-day, I deem it my duty to avoid oratorical devices or stock phrases, and I shall merely seek to express my thoughts as a Canadian.

I wish to thank the right hon. the Prime Minister (Mr. Mackenzie King) for the honour he has bestowed upon my friends and electors from Provencher, when he entrusted me the task of seconding the address in reply to the speech from the throne. Consequently, my constituents from Provencher desire to pay him a respectful tribute and to acknowledge the honour thus bestowed upon them.

May I also convey to him my gratitude for the acumen he has shown in the numerous decisions which he has taken with coolness and efficiency since the beginning of the present emergency. I believe, Mr. Speaker, that the Canadian people as a whole are convinced that this war is truly Canada's war, and that the efficient defence of the country lies in the use of the organized and united power and force of this dominion for the annihilation of the German hordes.

Any one who travels over Canada to-day is gripped by a spirit of resolute determination and confidence, because he notices that this population, among which many citizens had been compelled, for some years back, to put away their tools on account of the depression and join the march on the exhausted source of public funds, this very population is to-day exceedingly busy erecting hangars, airdromes and factories in the fulfilment of a common aim. Throughout our valleys, our plains and our hillsides, buildings are springing up as our field crops do in the spring, and the wheels of industry are humming without interruption. That is truly the answer of the Canadian people to the stirring appeal of the London chimes, an appeal that was far remote but nevertheless quite clear.

I desire to pay a tribute to the British people, who have brought to mankind the vision of a better world. The blood, the tears, the toil, the stout determination of the men, women and children of Great Britain have opened an era of heroism and restored to the world the common ideals of free people. Their sacrifices will spare us many of their sufferings. They have shown us that a democracy can survive, that it can secure from its citizens a supreme and constant devotion, and that it can also create a world better than any system wherein the cost of material progress is the degradation of human mind. And the intrepid leader of that people, Winston Churchill, is the living symbol of the unity of the democracies, a unity which constitutes the strongest hope of mankind. All praise to that people so fiercely proud of its traditions and of its liberty! All praise as well to those Frenchmen who have so proudly shed their blood in defence of their freedom! Their country, their noble country, has fallen, but we refuse to believe that their soul is dead. I shall simply repeat to them the words of the right hon. Minister of Justice (Mr. Lapointe): "You have not only our affection, but our support", and those of that great Frenchman, Gambetta, regarding the future of France: "Think of it always, speak of it never."

I am not one of those who, gulled by nazi propaganda, believe that the totalitarian system is necessarily more efficient and can easily dominate the democratic regimes. It would be foolish to deny the extraordinary power of the German military machine, but its ruthless efficiency is no proof of the strength of the totalitarian regimes or of the weakness of the democracies. Let the latter never forget the resistance opposed by one small nation against more than a hundred million aggressors prepared by twenty-two years of totalitarianism. The sole effect of the totalitarian system is to stamp out all sense of humanity. The triumphant barbarism which brought Germany within an ace of victory will assuredly lead it to a defeat from which it will never recover.

I also wish to say a word about the agreement concluded between Great Britain and the United States. This agreement is the most significant and noteworthy event in Anglo-American history. It constitutes a tangible proof that these two nations are living on good terms with each other and are working out together in brotherly fashion the solution of the military and naval problems of their common defence. May I express my gratitude to my leader who has always wholeheartedly sought to cultivate and develop this spirit of cooperation and good understanding with our neighbours to the south. Canada has become an indissoluble link of better understanding and cordiality between the British Empire and the United States. The noble task of consolidating between the British and the Americans the strongest and most durable friendship in the history of nations is an ideal, a summit which we shall reach through unwavering loyalty to Great Britain and acts of respectful friendship towards the United States. It goes without saying that when countries have common interests to defend their first act is to study their common interests and problems together and to divide the responsibilities between them. The speeches delivered during the recent presidential election campaign in the United States have clearly shown us that the soul of the American people is with us in the struggle we have undertaken for freedom and independence. Though we are neighbours, we live in the same house. The agreement in question assures us that all the doors of our house will be closed to the plunderers of nations.

I still have a tribute to pay, a tribute owed to the citizens of Canada, to the members of this house and to the Government for the wonderful *esprit de corps* and the complete cooperation which they manifested on the occasion of the national registration. This same spirit of Christian and patriotic abnegation has showed itself every day in the application of the National Mobilization Act. Canada is marching loyally with its sister nations. No nation with so generous a soul can perish, however hard the trial.

(Text) As we enter upon this new session, Mr. Speaker, every one realizes that it will be one of the most momentous in the whole history of the Dominion of Canada, and no one is more conscious of the tremendous responsibility that rests upon his shoulders than the private member. It would be idle for me to take up the time of this house in an effort to review the events which have taken place in Europe and their significance to Canada.

Since the fall of France, when the whole world seemed on the verge of collapse, a new world has arisen stronger and more determined than ever. It is our foremost duty to keep it as such and never to relax our efforts. We are fully confident that the Canadian people are doing all that is possible, but our enthusiasm has led us to wonder if we should not now attempt the impossible. Before Dunkirk it was thought impossible to evacuate in a few days from a half shattered harbour more than 30,000 men. The optimists said that 50,000 might be evacuated.

but the fact is that 335,000 were saved. The allies had tried all that was possible; they were then faced with the necessity of doing the impossible, and they did it. This fine spirit of Dunkirk is not confined to the European continent. It has found expression on many occasions in Canada since the outbreak of war and is now, I believe, more alive than it ever was.

To-day France, our noble ally, has fallen. She lies with guns pointed at her heart and disarmed. Relations between Great Britain and France are becoming more and more acrimonious. It would be most unfair to try to judge downtrodden France, and any discussion of the hypothetical decisions of her government is bound to lead us into misrepresentations as well as misunderstandings, and to risk our great asset, the unity of our beloved dominion.

Many people of France have lost their lives, and those who have survived are menaced by tyranny. Great Britain and France have great confidence in one another. Mr. Speaker, I beg of hon. members of this house and of all Canadian citizens that they save that confidence, the one thing that can be saved. I cannot think of a better way to do it than to think of our friends, their kindness and affection. No matter what is said of the Frenchmen, no matter what is said of the Englishmen, let us think of certain Frenchmen, let us think of certain Englishmen who we know are incapable of any but noble and generous thoughts. Let us extend our kindness and friendliness. The need for kindness in the world to-day is appalling, and yet there lies, I believe, our strength and the key to this new and modern world to which we have harnessed our lives and for which we are shedding our blood.

I wish to refer briefly, Mr. Speaker, to the problem of agriculture, which has become a national problem and an integral part of our war effort. It is made clear by every process of logic and by the proof of historic fact that the wealth of a nation, the character of its people, the quality and permanence of its institutions, are all dependent upon a sound and sufficient agricultural foundation. Not armies or navies, or commerce, or diversity of manufactures, or great distributive systems, or anything other than the farm, is the anchor which will hold through the storms of time which sweep all else away.

The last great war was the principal cause of Canada's rise to the position of a great wheat exporting country. Canada expanded her acreage to become the leading wheat exporting nation of the world, which position she still holds. At the time of the declaration of war some people expected wheat to soar in price simply because a war was in progress. They overlooked the fact that Europe had been preparing for war for several years and that substantial reserves had been stored up in that continent. Never before has a major war started with such an abundant supply of food in the world.

The prairie farmers realize that they are called upon to guarantee ample supplies of food for the allies during the war. They have learned to produce abundantly. Gradually, by the use of machines, agriculture is being relieved of back-breaking manual labour. The faithful and diligent horse is gradually being relegated to the background, and fast, efficient and economic machines take its place. One hundred years ago it took the efforts of ninety per cent of the population, busily employed on farms, to feed and clothe the nation. To-day twenty-five per cent of that population can easily do the job. This great productivity has served only to beat down prices to penurious levels.

There are three million Canadians living on farms, and there are another two millions living in rural areas whose livelihood depends almost directly on agriculture. Thus when agriculture's existence is imperilled by low prices, five million Canadians suffer jointly. The western farmers realize the complexity of the problem and are not asking for excess profits, but they feel that a reasonable parity should be maintained between the prices of farm products and the prices of the things they have to buy.

(Translation) At the outset of this new session, I express the hope that nothing will be said or done in this house which might be prejudicial to what is still our most valuable asset: national unity. The effective defence of our country requires the concentration of our efforts at such a place and time, and in such a way, that they will best contribute to the defeat of the German armies. Our real aim is the mobilization of a well-organized and wisely-led Canadian people. We have already achieved this, to a large extent, and we shall march on towards this goal with a common will, as long as we enjoy the full confidence of the Canadian people.

If mobilization on a national scale has been such a success, it is due, I believe, to equality in sacrifice. All able-bodied citizens must be prepared to make the same sacrifices, and all classes will find comfort in the thought that there will be no exemptions. This is of prime importance. There must also exist equality of financial contribution. I will abstain from enlarging upon this point, but will briefly refer to excessive war profits. Means of controlling such excesses are not wanting and it must be stated that such as have been put

into force during the last session have proven quite efficient. For this, the Canadian people are grateful to their leaders, retaining withal their constant vigilance in this regard.

While government contracts should not insure what might be considered excessive profits, it would nevertheless be contrary to public interest that their financial basis be such as to paralyse contractors and limit their productive capacity.

We are confident that under firm and competent direction Canadian industry will prove equal to the task of ensuring maximum results from our war effort.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, when I came to Ottawa this week I had hoped to be able to make my contribution to this debate immediately after the mover (Mr. Claxton) and the seconder (Mr. Jutras) had concluded their addresses. But we are living in a changing world where things change from day to day, and I find myself unable to proceed this afternoon. I shall therefore ask leave to adjourn the debate and take my seat after congratulating my hon. friend from St. Lawrence-St. George (Mr. Claxton) upon the very fine contribution which he has made in this House of Commons to-day, and my young friend from Provencher (Mr. Jutras), who has, I think, distinguished himself so creditably in both languages.

I move the adjournment of the debate.

Motion agreed to and debate adjourned.

On motion of Mr. Mackenzie King the house adjourned at 4.20 p.m. until Tuesday, November 12, at 3 p.m.

Tuesday, November 12, 1940.

The house met at three o'clock.

RIGHT HON. NEVILLE CHAMBERLAIN

DEATH OF FORMER PRIME MINISTER OF GREAT BRITAIN—TRIBUTES TO HIS MEMORY

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, hon. members of the house have learned with deep regret of the death of the Right Hon. Neville Chamberlain. It is fitting that I should place upon the records of this house some few words in honour of his memory.

Mr. Chamberlain left the scenes of his labours in circumstances made especially poignant by the sufferings of his closing days. Canada will not soon forget the fortitude with which he faced, and met, and endured, the terrors and horrors of war; nor, in the preceding years, his long and earnest fight for peace —a peace which he once described as one which will enable mankind "to live their lives without fear, and to devote their energies and their gifts to the development of their culture, the pursuit of their ideals, and the improvement of their material prosperity."

With the permission of the house, I should like to repeat within these walls the substance of a public tribute I have already paid to his memory.

As the tragedy of Europe and the world began to unfold, Mr. Chamberlain as the Prime Minister of his country bore the greatest burden of all. He found himself the victim of conditions which he did not create, and of circumstances which he could not control. In a world rushing headlong to war, for which Britain was not prepared, peace had been placed in his keeping. From the compelling burdens of those conditions he did not flinch. He fought those circumstances with all the virtues of his race and, above all, with what has been called the greatest of all the virtues—unwavering patience. The judgment of time will determine the responsibility for the conditions and the circumstances which he inherited. It is no less certain that as those who follow us gaze in retrospect upon these tragic scenes, they will see in the late Prime Minister of Great Britain a forthright, fearless, honest, Christian gentleman, who laboured for peace because he loved his fellow men, and who led his country into war as the only means left to preserve their freedom.

When the testing time came at Munich in 1938, he, hating war, found himself opposed by men who were determined to wage it. Whatever may be the present opinion of the pact of Munich held by some, at the time when it was made it was hailed with joy in Britain, in France, in Canada, in the United States, and also by the people in Italy and in Germany. In fact, the world sighed with profound relief as Mr. Chamberlain gave to the hearts of mankind a new lease of hope. To-day the memory of Munich has no doubt been embittered by the apparent failure to fulfil its promise. That was not the fault of Mr. Chamberlain.

Many men in public life have suffered, often undeservedly, from the fickleness of public opinion, and the forgetfulness of public gratitude; but few men have had the experience of these vicissitudes of fortune crowded more dramatically into so short a period of time. Mr. Chamberlain enjoyed prosperity in humility, and suffered adversity with silent dignity. He moved steadfastly towards peace, when peace was possible. He did not flinch

from war, when war was inevitable. He bore praise with modesty, and censure without complaint.

History will, I believe, pay his memory these tributes. His passion for peace and his patient search for it gave to the cause of Britain a moral strength in the eyes of the world, invaluable in a struggle between good and evil.

The temporary peace which his patience gained, gave mankind a year free from the horrors of war, unmasked the true character of the new tyranny, and strengthened the preparations of free nations to meet the threat to the Christian civilization which they cherished.

In the midst of danger, discouragement and defeat, Mr. Chamberlain never despaired of his country or of her great cause in the world of men. Canada, to-day, joins with the other nations of the British commonwealth in honouring a faithful servant of humanity.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, the Prime Minister (Mr. Mackenzie King) has given a very eloquent appreciation of Mr. Chamberlain and of his position in and contribution to the empire, and I am grateful for the opportunity afforded to me to pay a tribute to his memory.

Mr. Chamberlain was an Englishman—not born in the purple, as it is said, but truly a notable product of that great middle class non-conformist England which made her great in commerce, in industry, and in the sciences and arts.

The son of a great imperialist, he did not choose in his early years to follow in his father's footsteps; rather did he choose the path of commerce and peaceful pursuits. But he was bred in the Birmingham tradition—the tradition of public service—and after serving his fellow citizens in the municipal arena as Lord Mayor of his city it was inevitable with his background that he should enter parliament and become one of the leaders of the nation. He served in several ministries, first as Postmaster General, Paymaster General, Minister of Health and subsequently Chancellor of the Exchequer, and finally Prime Minister of Britain.

It has been said that he was severely competent as an administrator. In the domestic field he did his best work in the health ministry where he instituted many reforms. Yet he was a man who found zest in living. He was a famous fisherman. I know something of the joys of that pastime. On the day he became Chancellor he wrote in his diary:

> What a day! Two salmon in the morning and then Chancellor of the Exchequer in the afternoon.

What more could a man want? And yet, when Mr. Baldwin retired in 1937, Mr. Chamberlain went to the highest and greatest position in the empire, Prime Minister, almost as a matter of course. And he took the position without show or ostentation—another duty to be performed, another task to accomplish.

There are those who will say he failed. He laboured for peace in our time. He believed he had attained it, only to find that all his hopes had crashed. He laboured for decency in international affairs, only to find that he had been dealing with a band of robber barons who knew no decency, no honour, and who have had no equals in history. But because he was a man of courage, because he had failed in the other alternative, he did not hesitate to lead the nation into the great struggle—reluctantly no doubt, but none the less courageously.

We all remember Munich! But who is there among us so bold, in the light of the then known facts and pledges, as to condemn Mr. Chamberlain for Munich? Who is there who would not have rejoiced if Munich had in fact succeeded?

History—that history which is written from a true perspective—will do him justice. It may condemn his judgment. It may say he lacked wisdom. It is so easy to criticize and so difficult to achieve really great deeds. But of one thing I am certain: history will record his rectitude, his courage, his high purpose, and his sincerity.

Mr. M. J. COLDWELL (Rosetown-Biggar): We join with those who to-day pay tribute to one who held high office in the councils of our commonwealth. As a group, and like the British Labour party, we disagreed profoundly with his international policies, which he followed sincerely and to the bitter end.

Mr. Chamberlain will, I believe, be regarded by historians as a symbol of the age in which he lived, an age which is drawing uneasily to its close. He represented, as did his immediate predecessor, a high type of British business man in public life. As such, his associations and his environment together largely determined his course of action. Lord Byron once wrote:

> I live in myself, but I become a portion of that around me.

And so it was with Mr. Chamberlain. He became in a very real sense a portion of that around him, and tried to carry out to the best of his ability, and in all sincerity, that which he believed to be good.

We extend our sympathy to his widow and to those who to-day suffer from a deep sense of personal loss. As to his place in contemporary affairs, history will eventually appraise his work and judge aright, but few will question his integrity or sincerity of purpose.

Mr. J. H. BLACKMORE (Lethbridge): With the passing of Neville Chamberlain the British empire has lost the services of a great Englishman. He was the last of a family of illustrious British statesmen. Where is he who can divine the motives that impel the thinking, speaking and acting of any man, much less a public man, be he statesman —or be he politician? Even if those motives be known, how almost impossible is it to judge rightly of their worthiness or unworthiness? But of a man's utterances or actions, select even the simplest word or deed, analyse the judgments that led to it, weigh the results, direct and indirect, which derive their cause from it, then seek justly to appraise it, and you will find yourself thoughtful and humble.

It is with thoughtfulness and humility that I regard Chamberlain to-day. In most minds his name is, and for a long time will be, associated with appeasement and Munich. To be fair to him, we must remember that he carried responsibility in Britain while the motherland was staggering from the consequences of the folly of one of the most abjectly fatuous periods in Anglo-Saxon history; a decade when men made almost every kind of blunder in their economic thought and practice, and then allowed themselves to be deluded into almost every kind of disarmament. The marvel is that he agreed to assume office at all. A double marvel is that he did as well as he did. Let us be grateful for his courage and good intentions and good achievements, whatever they might have been. Let us be charitable towards his errors, whatever and whyever they may be found to have been. For judgment let us leave him to the future, when men will be able to arrive at conclusions more calmly considered and better informed than ours possibly can be.

WATER DIVERSION

OGOKI AND KENOGAMI RIVERS—TABLING OF COMMUNICATIONS BETWEEN UNITED STATES AND CANADIAN GOVERNMENTS

Right Hon. W. L. MACKENZIE KING (Prime Minister): I wish to lay on the table copies of recent correspondence between the government of Canada and the government of the United States whereby agreement was reached in regard to certain developments on the St. Lawrence-Great Lakes system. This is the correspondence asked for on Friday last by the hon. member for Davenport (Mr. MacNicol). It consists of a formal interchange of notes between the Canadian Minister to the United States and the United States Secretary of State embodying the points of understanding arrived at in previous conversations between the two governments.

I should like at the same time to table copies of the correspondence exchanged recently with the premier of Ontario and the premier of Quebec on this subject.

AGRICULTURAL PRODUCTS

INQUIRY RESPECTING AGREEMENTS ENTERED INTO WITH BRITISH GOVERNMENT

On the orders of the day:

Mr. M. C. SENN (Haldimand): I should like to address a question to the Minister of Agriculture (Mr. Gardiner). I am sure everyone is gratified that he has returned safely from his journey overseas.

My question is: Has the minister any information to give to the house as to the result of his discussions with the British authorities concerning the sale of Canadian farm products in Great Britain, and if not to-day, when may we expect such report?

Hon. J. G. GARDINER (Minister of Agriculture): The agreements which were entered into with the British government were just to-day submitted to and accepted by council. They have yet to pass through the ordinary official stages, and I have a definite understanding with the British government that before making any announcement here they shall be put in a position to make the announcement in Britain at the same time. It is my intention to make a full statement to the house as soon as I have an opportunity of doing so in the debate on the address.

LABOUR DISPUTE

AUTOMOBILE INDUSTRY — QUESTION AFFECTING WORKERS AT CHRYSLER PLANT IN WINDSOR

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I wish to address a question to the Minister of Labour (Mr. McLarty). On Saturday morning forty-five union members were locked out at Windsor, Ontario, by the Chrysler corporation. Attempts to inform their fellow workers peacefully were frustrated by local police, and since then several arrests have been made. Will the government undertake to protect workers against such violations of their democratic rights, which are specifically safeguarded under No. 27 of the defence of Canada regulations, as approved by order in council P.C. 3751 of August 13, 1940?

Hon. N. A. McLARTY (Minister of Labour): The hon. member for Rosetown-Biggar (Mr. Coldwell) was kind enough to give me notice of his intention to ask this question.

I received on Sunday morning a telegram similar, I believe, to the one he received, in which the chairman of the local committee, No. 195, of the Chrysler corporation employees advised that the corporation had locked out forty-five employees. Subsequently I received notification from the company to the effect that it was not in any sense whatever a lockout, but on account of the transferring of one employee from one department to another thirty-eight men in the other department decided voluntarily to walk out. There being such a wide variance between the two statements as to the facts, I thought the only way to handle the matter properly was to have someone from the Department of Labour go to Windsor and advise us accurately as to the actual facts. That was done; the representative was in Windsor yesterday and is still there. When I received the notice from the hon. member for Rosetown-Biggar I endeavoured, unsuccessfully, to get in touch with him. Until we have a definite statement as to the actual facts I think we should not prejudge the matter or take any premature action in connection with it.

BUSINESS OF THE HOUSE

PRIVATE MEMBERS' DAYS

Mr. ANGUS MacINNIS (Vancouver East): I should like to ask the Prime Minister (Mr. Mackenzie King), in view of the way the business was carried on last session with no private members' day being provided, whether we shall have private members' days during this session?

Mr. HANSON: You had better wait and see.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think we should first conclude the debate on the address. What may be possible or desirable after the debate is concluded will depend, among other factors, on the length of time which the debate itself occupies. There will be a chance to discuss the matter later.

INTERNED ENEMY ALIENS

INQUIRY AS TO EMPLOYMENT ON CONSTRUCTION OF ARMY HUTS

On the orders of the day:

Mr. CLARENCE GILLIS (Cape Breton South): I should like to address a question to the Secretary of State (Mr. Casgrain). Is it correct that German prisoners in a certain internment camp outside of Toronto are being employed on the construction of army huts at the rate of twenty cents a day, thus displacing Canadian carpenters who in consequence are unemployed?

Hon. P. F. CASGRAIN (Secretary of State): I cannot give an answer offhand, but I shall make inquiry and try to have an answer for my hon. friend to-morrow.

ANNIE RUBELIETZ

PETITIONS FOR COMMUTATION OF DEATH SENTENCE

On the orders of the day:

Mr. ANTHONY HLYNKA (Vegreville): May I ask the Minister of Justice (Mr. Lapointe) whether, in view of the many petitions which have been sent both to the government and to members with respect to the death sentence passed upon Annie Rubelietz of Sturgis district, Saskatchewan, the minister is considering the commutation of the death penalty?

Right Hon. ERNEST LAPOINTE (Minister of Justice): An appeal has been lodged in the court of appeal of Saskatchewan against the conviction in question. Until the decision on that appeal is made we cannot deal with the numerous petitions which have been sent in urging clemency in the matter.

SOLDIERS ON LEAVE

INQUIRY RESPECTING PROVISION OF TRANSPORTATION AT CHRISTMAS AND NEW YEAR'S

On the orders of the day:

Mr. J. R. MacNICOL (Davenport): I wish to address a question to the Minister of National Defence (Mr. Ralston) in connection with the statement in this morning's papers about the Christmas and New Year's leave for soldiers. Will any arrangements be made in reference to transportation to and from their homes?

Hon. J. L. RALSTON (Minister of National Defence): No arrangement has been made except the usual one providing for a rate of single fare for the return trip.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, November 8, consideration of the motion of Mr. Brooke Claxton for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, we are met to-day under the shadow of the tragedy of the greatest war in history. When we left here in August last we were conscious that the battle of Britain, possibly the invasion of Britain, was in the immediate future, and we watched the developments from day to day with the greatest possible anxiety. Now we are happy to think that the invasion of Britain did not take place, but we are equally certain that the battle of Britain is not yet over.

I think at this point I should say a word or two with respect to the question of the summoning of parliament at this time. There was considerable discussion in the newspapers with respect to what took place between my right hon. friend and myself on October 3. I must confess to you, sir, and to the house that, obsessed as I was during that intervening period with what was occurring in connection with the invasion of Britain and the battle of Britain, I did not conceive that it was immediately necessary that parliament should reassemble. Having received an invitation to visit my right hon. friend and discuss the question; having approached that discussion with those considerations in mind, and the right hon. gentleman having already intimated that the government had no legislation ready, I concurred in the suggestion which was then made. I have nothing to take back with regard to that decision; nor do I think my right hon. friend has anything to take back. Nevertheless, in view of statements which were made in the press and in view of statements by my hon. friend to my left (Mr. Coldwell), I did suggest to the Prime Minister that it should not be said that he or I should be taken in any sense as having arranged in advance that there should not be public discussion in this house; and we are here for that purpose.

Since we adjourned we have had four by-elections in Canada, which returned the four very fine, estimable gentlemen who were introduced to you last week, sir, and who took their places on the floor of this house. I am indeed proud to have our party strengthened by the addition of two young men, for whom I predict a great future as members of this House of Commons. My right hon. friend has received an accretion to his ministry in the person of an hon. gentleman of whom I spoke once before in, shall I say, friendly terms. To-day I am glad to add my welcome to him as he takes his place here and participates in the business of this house. Macdonald! What a name to conjure with. And Macdonald of Kingston! How that takes our memories back seventy-five years; yet what a difference we see. After all:

> What's in a name? That which we call a rose,
> By any other name would smell as sweet.

Yet one of the greatest assets of the hon. gentleman is his name.

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): I say that with the utmost good spirit; I do not understand the laughter. The name of Macdonald is an asset on the floor of this parliament. It is a name which I hope will never die, and my hon. friend now is called upon to hold that name high, as I am sure he will. Yet when I pause to reflect that the hon. gentleman represents the city of Kingston and that he comes from my neighbouring province of Nova Scotia, my mind goes back to the election of 1935, in which I was a participant. I recall the announcement made by this hon. gentleman as he began to assault the citadels of protection in the province of Ontario. And he did assault them; the results speak for themselves. Yet to-day he is sitting as the representative of one of those citadels of protection, supporting a government that maintains around this country a tariff wall higher than ever obtained in the history of this country; and he sits for what is often called the "Derry" of Canada. May I say to my hon. friend that I hope he will enjoy his position, because I venture to prophesy, as his right hon. leader once did about me, that he will not occupy it very long.

I wish now to turn to the speech from the throne. The right hon. Prime Minister has put in the mouth of his excellency what I suppose is the shortest speech in the history of this parliament. It has the merit of brevity, but it falls short in everything else by which we measure what a speech from the throne should be. In this speech there is not the slightest intimation of what the government's programme is, save and except that it will report to this parliament. Are we to believe that in summoning this, the second session of this parliament, the government has no programme of legislation, nothing for parliament to do but meet and discuss? That is probably the truth. During the latter part of last session and during the three intervening months this government lulled the people of Canada to sleep in the belief that we are living in the best of all possible worlds. In effect we were told that we needed no direction, and none is given in the speech from the throne. It is true we are promised that opportunity will be afforded—

> for the fullest consideration and discussion of Canada's war effort and of national problems which war has served to intensify or create.

But the right to debate and discuss is ours already. What is wanted is full opportunity for interrogation and cross-examination. That cannot be done, I submit, in an ordinary debate on the address. It can be done properly only by having ministers appear before a special committee or committees, or at a round table conference. However, we welcome these declarations, and we shall take full advantage of the opportunities accorded us.

At this point may I direct the attention of hon. members of this house and of the public in general to the fact that to all intents and purposes we have not at this time full responsible government in Canada. As I look back on the work of the last session and on the legislation passed then I am conscious now, as perhaps I was not then, that we, the representatives of the people, have been forced to abdicate many of our functions. War is the excuse. We no longer legislate in the true sense of the word, because we have delegated to the government the power to legislate by order in council. In effect we have set up in Canada a totalitarian state as truly as they have it in Europe. The government even legislates by order in council, when parliament is in session. That ought not to be; it is wrong, and should cease. In one important sphere only has the House of Commons retained its hard-won power and authority. We have, at least, in theory, retained the right to vote supply and to levy taxation—but only under the will and at the direction of the executive. Everything else may be done by order in council.

What a situation, Mr. Speaker, to contemplate and reflect upon! And all this under a so-called Liberal administration, an administration led by a gentleman who throughout all his public life has been most vociferous in upholding the theory of the supremacy of parliament!

May I at this point direct the attention of hon. members to another speech from the throne, one to which we listened only a few days ago. I refer to the speech delivered by the deputy of his excellency when proroguing the last session of parliament. In that speech appears the following sentence:

> The measures which you have taken have had in view the immediate task of sharing more completely in the defence of Britain and securing our own country more effectively against internal subversion and external attack.

Those words are significant. For the first time since Canada entered this great struggle, first things are put first. It is the first time the government has recognized the doctrine that the defence of Britain is first. I congratulate my right hon. friend on those words. That is the principle which I and those associated with me in the house and throughout the country have valiantly sought to have recognized ever since the war began. To me it is fundamental; for Britain is the defender of democracy and civilization, the defender of our democracy and our civilization in this western hemisphere. For us, aid in the defence of Britain should be our first objective; the defence of our beloved country will follow.

The other day my learned and hon. friend the member for St. Lawrence-St. George (Mr. Claxton), in the very accomplished speech in moving the address in reply, referred to those who were "more English than the English". I thought there was a touch of sarcasm in that reference, because I assumed he meant myself and those associated with me. That may have been a reference to those in his majesty's loyal opposition who have never ceased to urge upon the government more and more aid to Britain. I say to my hon. friend that those associated with me on this side of the house are as good Canadians as are to be found anywhere else in the house. We all love Canada as we love our wives and children. I believe too, that love for Canada is not confined to hon. members on this side of the house. But those of us who are of united empire loyalist descent, and who have British blood in our veins, love Britain as we love our mothers. Shall we be ashamed of that?

May I ask the government, and particularly the Minister of National Defence (Mr. Ralston) who, I understand, is to speak shortly, what is the attitude of the government with respect to the supreme objective of Great Britain as announced by Mr. Churchill on more than one occasion recently? What about Mr. Churchill's proposal for 1942 and 1943 concerning the freeing of France and the low countries? What is Canada's attitude with respect to that matter? In Mr. Churchill's view, and I believe in the view of all of us, this war will not be won until Hitler, with all that he stands for, is crushed.

I make this inquiry of the Minister of National Defence for two reasons. Recently, while inspecting eastern defences in the city of Halifax, he gave an interview. There was nothing improper in that interview, but he indicated no commitments beyond those which the government has already undertaken. I believe we should be taking the long view with respect to the position in Europe. I grant that Mr. Churchill's vision with respect to the reestablishment of France and the low countries is a great and very important

one, the realization of which will require a supreme effort on the part of Great Britain and her allies. He visualizes such a campaign in 1942 or 1943 and has intimated that that is the objective of Great Britain. When the Minister of National Defence speaks to us I ask him to tell us whether or not this government is preparing anything in the way of reinforcements to strengthen our units in Britain, and to provide new units when Mr. Churchill's plans are matured. I would ask him for a statement of policy in that regard.

May I at this point pause to enunciate the views with respect to public business of the party I have the honour to lead. I want to be very definite about this matter. To-day the policy of the Conservative party is to continue the policy of cooperation with the government in waging the war over there, and for the defence of the nation here, and to render such assistance as may be in our power to attain the supreme objective.

I say further to my right hon. friend that we desire to persevere in this course by offering constructive criticism. We reserve the right to criticize the proposals and actions of the government which are deemed not to be for the common good, both in its war and in its domestic activities. With respect to all domestic and peace-time questions we reserve the right to criticize, condemn or praise. In a word we will preserve all the rights and will exercise all the privileges of a peace-time opposition.

I hereby rededicate this Conservative party in the House of Commons and in the country to the service of the state, to the supreme task of helping to win the war overseas, to prepare for the defence of our beloved country, to help solve the problems of government in the domestic sphere, and, so far as in our power lies, to promote the greatest good for the greatest number of our fellow citizens.

I assume that the government and I am quite sure that the country would not wish this opposition to be a mere rubber stamp. It would not be good for the government, and I am equally certain that it would not be good for the country. If this were not a party government there might be something to be said for the theory of non-opposition, but there is nothing to be said for such a theory when the affairs of the country are being conducted on the party basis which we have in Canada. I say this in the face of the fact, that, regimented as we are to-day, it is not always popular in some quarters to criticize this government. However, as long as I occupy this position I shall not be deterred by adverse criticism from doing what I deem to be my duty. Fortunately to-day in Canada there is evidence that the question of freedom of discussion in the press and on the public platform is forging to the front. In any free country there must be freedom of the press and freedom of discussion, otherwise liberty perishes.

I approach the consideration of Canada's war effort with some diffidence, and may I say with some reluctance. I approach it with diffidence because I realize that with my limited knowledge of matters military I am not well equipped either to criticize or to make real constructive suggestions. But subject to that handicap I propose to give to the house and the country the benefit of such views and conclusions as I have arrived at.

My main objective during the last session of parliament—this was also the objective of this opposition—was to push on by admonition and precept the supreme task of assisting Britain in winning the war, winning the war over there, not here on this western hemisphere. I said then, as I say now, that Britain with her mighty navy and dauntless air force was our only defence. I now desire to add to this my humble meed of praise and admiration for the dauntless courage of her leaders and of her people. I pause here to pay them all a tribute, humble though it may be.

Throughout all the ages of history there has never been witnessed an epic like Dunkirk, and there has never been such a display of dauntless courage and tenacity as has been exhibited by our hard-pressed kinsmen in the old land. Dunkirk stands as an historic moment comparable with the Charge of the Light Brigade. Some day soon it may be that a great poet will record this heroism in immortal poetry. Pride in their success, pride in their determination and pride in their courage wells up in the heart of the most humble Canadian. To those of us who have in our veins the same blood which flows in the veins of our kinsmen overseas there will ever arise a feeling of pride and thanksgiving that we are sprung from the same race. No wonder people everywhere are singing the toast, "There'll Always Be An England." May I be permitted to quote just the first and last verses of this song:

> There'll always be an England
> While there's a country lane;
> Wherever there's a cottage small
> Beside a field of grain;
>
> There'll always be an England,
> And England shall be free,
> If England means as much to you
> As England means to me.

But while we are thankful and grateful that there has been no invasion of England we are conscious of the fact that the battle of Britain is not yet over. In these circumstances the theory of aid and more aid to

Britain should be the controlling motive of our military preparations. For again I say that our first and only defence is in England, and we should strive to keep the battle there. In the recent fighting in and over England we are grateful to think that Canada has been ably represented in the Royal Air Force. I am glad to know that a Canadian squadron which forms part of the Royal Air Force has played a distinguished part. I have some reason to know about this. Some of the finest young men that Canada ever produced went over to the other side from my province in 1937 and 1938, and many of them will not return.

But, after all, our contribution to the first battle of Britain has been rather pitiful. In fact it has not been a factor in the defence of Britain at all, so far as I am aware. If I am wrong I hope my hon. friend will illuminate the position. I recall with feelings which I shall never forget the call of Mr. Eden over the radio in June last for planes, guns and tanks—and we had none to send. I recall that we were told early last session by the Minister of Munitions and Supply that we could not make tanks in Canada. I was assured at that time that they could be made in Canada. At that very time I knew that the Angus shops were ready and willing to undertake the manufacture of tanks. I had it from one of the responsible officials that they were only waiting for the word to go. I am glad to know that the minister has changed his mind. It was several months late, but better late than never. Apparently he changed his mind by reason of the persistent and patient efforts of the hon. member for Parkdale (Mr. Bruce), who although derided from across the floor of this house kept to his text. All honour to the hon. member for Parkdale.

Then a word with respect to the manufacture of aeroplanes in Canada. This is a great problem which this country should have faced long ago. A number of years ago a leading Canadian company was willing to undertake the task of building planes in this country, but the government would not. Latterly the government had another change of heart and decided to build these machines in Canada. A government owned and controlled company has been set up for this purpose. I congratulate the government upon this change. May I also congratulate the minister upon having enlisted the services of an outstanding young Canadian executive to take charge of these operations. I have known this gentleman since his boyhood.

In connection with the manufacture of aeroplanes I should like to have from the minister some explanation as to why Mr. Sanderson of Fleet Aircraft Limited was brought into this work, and then a few months afterwards his services were dispensed with. Some explanation is due beyond the terms of the platitudes contained in the minister's letter to Mr. Sanderson at the time of his retirement. Is it possible that his position as head of aircraft production in Canada was inconsistent with his position as head of Fleet Aircraft Limited? The minister should tell us the naked truth about this. Nor have the Canadian people ever been told the truth about the retirement of Mr. Wallace Campbell from the war purchasing board. I invite the minister to tell us the facts about this.

Then there is the question of big guns. To my knowledge we have never made big guns in Canada, but I understand that we are now approaching the task. In an interview given on October 10 by the Minister of National Revenue (Mr. Gibson), he declared that before the end of 1940 Canada would be making heavy naval guns, the largest used in the empire. That was announced by the director of public information in a release dated October 10 on Canada's war effort. This was part of the government's propaganda, and I have it under my hand. To me that was an astonishing claim. It seemed incredible to me. It simply is not true. Why make such claims? They only puzzle and confuse the Canadian people, and it is a most reprehensible practice.

Mr. GIBSON: Mr. Speaker, I rise on a question of privilege. The statement which has been quoted by the leader of the opposition (Mr. Hanson) was not correct. I never made such a statement. I did say that naval guns were to be made in a factory which was to be one of the largest and most modern in the British empire—

Mr. HANSON (York-Sunbury): The hon. member can make a speech later.

Mr. GIBSON: —not, a factory making guns which were the biggest and most modern. That is the statement which was made.

Mr. HANSON (York-Sunbury): Here is what the government's director of public information said: "Canada's War Effort"—this is an official release—a weekly review of developments on the home front, issued by the government; and the eighth item is:

Hon. C. W. G. Gibson, Minister of National Revenue, states in an interview that heavy naval guns, the largest used in the empire, will be produced in Canada before the end of 1940.

Well, where is the crossing of the wires? Somewhere.

By next year, said Mr. Gibson, the dominion will be producing seven tanks a day.

If he did not say that, I suggest that the wires were crossed in his department or some other department; and I will tell him further, that he will never catch up with the story; first impressions are always hardest to remove. I accept absolutely his statement that he has been misquoted. But something is wrong.

I want to refer now to motorized equipment. If there is one thing which we should be able to make in Canada for this war, it is motorized equipment. We, rightly or wrongly, have fostered the motor industry in Canada over a long period of years and at great cost to the consuming public. In September last the Minister of Munitions and Supply (Mr. Howe), speaking in Toronto, I believe, made the statement that Canada was producing 600 motor units a day. That seemed to me to be an extravagant statement. A few days later I read that an executive of a big tire company closely allied to the motor industry had stated in a public address in the same city that we were making 100 motor units per day. That seemed to be an understatement. Therefore I made some investigations on my own account, and my information is that neither statement was correct—an overstatement in the one case, and an understatement in the other. But I am glad to say that my investigations lead me to the conclusion that we are now approaching 600 motor units per day, and that spells great progress. Yet, late in the last session, information reached me privately from a reliable source in England that motor units ordered by the government had landed in England in an incomplete condition. Before I could verify the facts, a representative of the Southam newspapers had cabled the story to Canada.

I made no public reference to the report, but after the session was over I made a friendly call on the Minister of National Defence and told him what I had heard and what had been reported to me. I found that he had heard more than I had. He was exceedingly frank with me. He explained the *modus operandi* of the department—how the Department of National Defence had requisitioned these motor units from the supply ministry. The specifications were provided by his department, which also undertook the inspection. Some hundreds of these cars which arrived in England could not stand a brake test, others were incomplete, and parts had to be secured hurriedly, in England, in Canada and in the United States. I am told that the cost aggregated $80,000. I am not blaming the minister at all. He told me, and I believe every word he told me, that they had set up what they considered to be as good an inspection service as was to be found anywhere else in Canada. That is all a minister can do.

An hon. MEMBER: Most of them Tories.

Mr. HANSON (York-Sunbury): Well, I do not know whether they were Grits or Tories. If they did not do their duty they ought to be disciplined, and I am sure the minister has taken care of that. I mention this matter to say that the inspection was either insufficient or faulty.

In the light of these facts—I attempt only to give a few of those that have come to my knowledge; I have had a flood of information and allegations coming to me from which I have had to separate all the chaff—what are we to think of speeches made by ministers and by deputy ministers that in our war effort Canada is living in the best of all possible worlds? I sometimes wonder, when ministers read speeches prepared in many instances by subordinates, whether they ever verify the statements. The Canadian people are puzzled; they are confused; they do not know what to believe. I do not know what to believe, and I call upon the responsible ministers to make as soon as possible, clean, truthful, factual, and honest statements, free from propaganda and partisanship, so that we may examine and know.

The Canadian people want to help the government win this war; make no mistake about that. The heart of the people is sound. We want to help this government win this war—make no mistake about that. But we must be told the naked truth.

I want to know, too, whether in the huge contracts which are being let every day, in such quantities and in such amounts and covering such a variety of products, we are getting value for our money. I am talking now to the Minister of Finance. The Canadian people who provide this money, either in taxes or by way of loans, want to know. But the statements which we get must have the ring of truth. Too much has been put forward which is in the nature of propaganda. The public will swallow just so much of that, but after a while it nauseates.

In passing, may I ask the Minister of Munitions and Supply why no contracts for equipment have been given in the maritime provinces? Aside from minor contracts for supplies, such as boots and shoes, woollens and lumber, the industrial facilities of the maritimes have not been utilized and developed. The only work being carried on in the city of Saint John is confined to the Dry Dock company, and the Saint John Iron Works, which they control. The steel com-

pany at Sydney is occupied largely with British orders. There is no industrialization of the maritime provinces or marshalling of our efforts there. I ask my new friend from Nova Scotia—

Mr. MACKENZIE (Vancouver Centre): Kingston.

Mr. HANSON (York-Sunbury): —from Kingston; I am afraid I never can dissociate him from the bluenose province, and I do not think he desires to be dissociated, either—to give an ear to this plea and to see if we cannot have something done. We have facilities down there. I have in mind a little town not far from the New Brunswick border; I shall not name it. Why are the facilities there not being utilized? Why are there no new developments in the maritime provinces? I want to say this: if you are going to centralize everything in central Canada, as has been the custom for decades, do you think the people of the maritime provinces are going to tolerate that sort of thing? They will not. They are just as loyal as and perhaps more loyal than the people in the central provinces. I would make the same reference to people in the other parts of Canada—in the west. Things can be done out there; they can be done in the maritime provinces; let us have them done. One hears so much talk—and if one judges by what appeared in the newspapers yesterday morning we are going to hear more to the same effect when the dominion-provincial conference is held—about central Canada paying the bill. Well, I am not one of those who wants to create dissension in the country. I believe in Canada. We are all making a contribution. But in our war effort, not merely as regards the supplies, but in respect of equipment, let us really distribute it. It is up to the Minister of Munitions and Supply to see that something is done in this direction: he seems to forget that he ever lived down there. I do not think I need say more on this point at the present time; we will wait until we hear what the reports are.

Now I wish to devote a little time to the consideration of a speech made in the city of Ottawa on October 23 last by the chief of the general staff, Major-General Crerar. It is a rather unusual thing for a chief of the general staff to get up in any public body and make a speech about a matter which is or may become the subject of political discussion in this country. I am not going to take exception to General Crerar's speaking on this matter, but I should like to know whether the speech was inspired by the Department of National Defence, and I ask the minister to say whether it was or not. The copy of the speech which I have under my hand bears all the earmarks of having been issued by the department itself, and it may therefore be considered to be a speech on behalf of the minister, because the copy I have was issued from the press liaison office of the Department of National Defence, Ottawa.

I have read that speech very carefully, and this is what I believe it to be: The speech has served as an apologia for and defence of the government's war effort, particularly in respect of the thirty day training scheme—and I use the word apologia in its classical sense. It is a defence of the government's war effort and particularly of the thirty-day scheme. And what is the apologia? The gist of it was that the effort was limited because of lack of preparedness, lack of equipment, lack of the implements of war. That is the story in a nutshell, if you read that speech carefully.

On page 8 of the speech General Crerar states:

> The major issue confronting Canada in particular and North America in general is to win this war in Europe and so to prevent any possibility of this continent finding itself in a definitely isolated and exposed situation.

Mr. Speaker, I agree with every word that General Crerar has said in that regard. It is fundamental and it is something I have iterated and reiterated from the very beginning; and I say further, with him, that the question of home defence will follow. Then he draws certain lessons. I am not hoping to cover the whole scope of his speech, but he draws two lessons from our experiences to date. The first appears on pages 8 and 9 of the speech, and it is this: That Canadian forces must be fully provided with mechanized power, including modern artillery, armoured fighting vehicles, and ample assistance for close support aircraft. That of course is fundamental and quite sound. The second lesson he derives from the history of the war so far is this: Reliance on static defence is inviting defeat. The failure of the allies in the field has been due to the lack of attacking power. That is what he says, and to quote from page 9:

> To take the offensive, military forces must be highly trained, as well as powerfully armed, and, furthermore, trained to cooperate closely with the air force.

On page 10 he says we must concentrate on two things:

1. Utilization to the full of all the skill, ingenuity and facilities we now possess "to advance the fundamental training of all ranks now in our army in the science and art of their profession."

2. Intensification of our efforts towards the complete provision of the armaments required by those men before they are called upon to meet the enemy in battle.

On page 11, he reveals his views with respect to compulsory training and to service for home defence of our man-power. I ask this question: Are these the views of my hon. friend the Minister of National Defence, and are these the views of the ministry with respect to compulsory training. I quote:

> All my life I have firmly believed that true democracy means equality of service of all for the state, as well as equality of opportunity for all, within the state.

Then he takes full responsibility for the thirty-day training plan and justifies it. I should have supposed that this responsibility belonged to my right hon. friend (Mr. Mackenzie King) and his colleagues. I do not think the chief of the general staff is called upon to take the responsibility. That is the function, that is the jurisdiction and the obligation of the ministry, and I do not think the chief of the general staff ought to be put in the position where he has to take responsibility for matters of policy of this sort. However, he has done so.

Mr. RALSTON: The chief of the general staff was not put in the position of having to take responsibility. He was invited by the Canadian club of Ottawa to deliver an address before I ever heard of it, and he asked me if I had any objection to his delivering an address.

Mr. HANSON (York-Sunbury): If that is all my hon. friend has to say he had better keep his seat and speak later. I understand the department asked the Canadian club to ask General Crerar to make that speech.

Mr. RALSTON: That is absolutely untrue.

Mr. HANSON (York-Sunbury): Well, I leave it at that. I do not see the point of my hon. friend's interruption at the moment.

Mr. RALSTON: I had to contradict that.

Mr. HANSON (York-Sunbury): He takes full responsibility for the thirty-day training plan, though I do not think he is called upon to do so, and he justifies it. First of all he says:

> The short period enabled a larger number of young people to gain a proper conception of their national obligations within a given time.

There is a certain element of truth in that statement. The conception of national obligation is needed by many of our people, and if this thirty-day training plan was put forward with that as one of its objectives, and if it has accomplished that purpose, it will at least have served a fair and useful end in so far as it goes. Then he says, as to the second reason for our limited period of training:

> Our limited supply of modern weapons made it impracticable to carry the individual training of these men beyond the basic stage and the limited syllabus.

Those are the two reasons alleged by the chief of the general staff for this limited period of training. I have some ideas on this whole proposal. I do not condemn the scheme: I want to make that abundantly clear. I know there are difficulties. There is the lack of equipment and there is also the necessity of building up a sense of national obligation to the state in time of war, to which the chief of the general staff has alluded. But I do not think that anyone in this house will contend that a thirty-day training scheme is likely to make much of a soldier. I could give this house reams of criticism of this thirty-day training scheme, and all our war effort. In passing may I commend to the attention of the Prime Minister the very dignified and able letter written by Major-General Elmsley and published in the *Globe and Mail* of Toronto a week or so ago. I am not going to take the time of the house to read it but I hope he has read that letter, that he has plumbed its depths and will respond to some of the suggestions contained in it. This man, I am told, is a very distinguished soldier; surely he is worth listening to.

An hon. MEMBER: In what war?

Mr. HANSON (York-Sunbury): Both the South African war and the late war, I understand.

This training plan is spoken of as thirty days' training: Is it? I think you can deduct eight or ten days; you have to take off the days for registration and for breakaway, two days at least, four Sundays, four half holidays, the time for inoculation, and what not. I am told that the actual period of training does not exceed 150 hours. That may be an understatement, I do not know; but I do know that it cannot be much in excess of 150 hours. And I do not think you can do much towards making a soldier in 150 hours.

Yet I do not condemn the plan, because I watched these boys myself in my own city and I want to say how pleased I was to see the progress they made in a week. I want to pay tribute to my colleague (Mr. Brooks) who was at the head of that camp for the work he did down there. I saw them on their march out the first Sunday and I saw them on the second Sunday, and you would hardly believe what a metamorphosis there was. The physical training alone did

them a world of good, forty-five minutes every morning at eight o'clock—I wish I could do it; I would be the better for it. It is a grand thing for these young boys. They learn to march and form threes and go through the elementary evolutions. So far as it goes the syllabus is good, and I would not condemn it except to say that it does not make a soldier. To stop this training at this point would be a great waste of money, especially if they are not attached to some non-permanent active militia unit.

Mr. RALSTON: They are.

Mr. HANSON (York-Sunbury): These men should put in the non-permanent active militia training. I hope my hon. friend will make that clear; there is no compulsory further training now, as I understand the position. I hope he is right.

Mr. RALSTON: I said they are attached to a non-permanent active militia unit.

Mr. HANSON (York-Sunbury): It would be a great waste of time and money, I think, if they did not go further. After giving the matter the best consideration I can, and having obtained the best advice I can, I am going to make two concrete suggestions. I hope the minister will give heed to them, because these suggestions are offered in the best of good faith, designed to achieve an objective which I think both he and I have at heart.

The first suggestion is that the length of time of training for these men be increased to at least four months, and that we train three groups a year instead of ten. The first eight weeks of this four months' course should be designated the basic recruits' course, and the second eight weeks the trained men's course, and graduation being required from one course into the other.

I am not going to compare what we are doing with what they are doing in the United States, but certainly I think no one will suggest that thirty days' training will make a man a soldier. I am told that a four months' course will make a man quite a good soldier. These two courses would be in some degree repetitions, but the courses have been worked out to be the minimum period necessary for initial training. Lengthening the course would mean that fewer men would be taken away from industry at the present time. That is important. And it would mean that those taken would receive training that would be of great value when they are called to active service.

My second concrete suggestion is this. I propose that all men, when they have received the four months' course, should be posted to the local non-permanent active militia units, not merely put on the reserve, as I understand is the present position. If I am wrong I hope my hon. friend will correct me. This would ensure their training being continuous and would prevent them from forgetting most of the rapidly given instruction already received, as will probably be the case under the present plan. It would keep up their morale, which to-day I am glad to think is magnificent. These young men have fine morale and we ought to keep that up.

The non-permanent active militia units are probably able to absorb one or two groups, but their facilities for doing so would soon be overtaxed. Therefore it is extremely difficult to post the trainees from the thirty-day course to the non-permanent active militia units because of excess of numbers and lack of facilities. The saturation point would soon be reached.

If the war to date has taught our military authorities anything it is that a few well trained and well equipped troops are better than vast numbers of partly trained men. That was implied by General Crerar in his speech before the Ottawa Canadian club. To-day in Canada we have recruited for our armed forces more men than we can train and equip. I think I am within the limits of the truth when I make that statement. Our military effort is ahead of our industrial effort. Let us strengthen our weakest link first. I would point out that the United Kingdom, with a population of approximately forty million people, has raised upwards of one hundred divisions. Of course I realize that England is an armed fortress, that she must raise proportionately more men than we, but if Canada were doing its pro rata share we would be required to raise twenty-five divisions, as well as carry on the air training plan. I point this out to give an idea of the effort that Britain is exerting and what we should be prepared at least to contemplate.

Let me recapitulate. I suggest that the plan be continued, with a four months' training period instead of thirty days, and that all men be required to join non-permanent active militia units and receive further training with them and the special instruction peculiar to the arm of the service that they are finally to enter.

I desire now to turn to a consideration of Canada's war effort as viewed by our friends to the south. This is a matter upon which I have reflected deeply and upon which I believe the Canadian people have reflected deeply.

When I left here on August 3 last I did so with the consoling thought that in some measure at least I had made some contribution with respect to driving the ministry into a

real war stride, and I think I had a right to that consolation. I honestly thought that after ten months of hesitation and delay and not grappling with the great problem of the war, Canada was really getting into its war stride. I held that belief until early in October. It will be recalled that a large number of eminent journalists from the neighbouring republic were invited to visit Canada in September last. I believe that the Canadian government was the host and that the arrangements were consummated and carried through under the auspices of the Canadian Press. In any event these gentlemen came to Canada. They were taken to see everything their conductors wanted them to see. Presumably they were told everything their conductors wanted them to hear. Certainly I have the right to assume that, and certainly I have the right to assume that they were not shown or told anything that would be detrimental to the prestige of the government. That was not the idea at all; that never was contemplated. Mr. Rupert Davies, head of the Canadian Press, would see to that. They were shown and told of the best of Canada's war effort. They went home and early in October wrote their impressions and ideas in their own way, and I judge without any censorship. This does not make pleasant reading. Frankly I was greatly disillusioned. I did not have an opportunity of studying all they reported, but some of their reports rather made my heart sick. I suppose the most outstanding military expert among them was Mr. Baldwin of the New York *Times*, a newspaper which in my view ranks as high if not higher than any other journal in the world. His report appeared in the New York *Times* of October 1, and the headlines themselves are disheartening:

War Effort Peak in Canada a Year Off.
Dominion Expected to Become Major Factor in Conflict Late in 1941.
Bottlenecks in Skilled Labour, Machine Tools and Plane Engines Revealed.

How does that jibe with what we were told in the months of July and August, when parliament was in session? Particularly how does it jibe with what Canada had been told by ministers and others after parliament had adjourned?

I am glad to think that Mr. Baldwin's comments and reflections were not all adverse; far from it. It is a great pleasure to read that he found Canada virtually united in an earnest determination to prosecute the war and to defend the western hemisphere. He paid well deserved tribute to the men of the armed forces; but his comments give no cause for the complacency exhibited to us. On the contrary, in some instances they tend to give cause for grave humility. He found Canada "sadly lacking, not in man power but equipment," all of which we knew. He found "many shortages of equipment, as well as bottlenecks in aircraft engines, machine tools and skilled labour." Industrial production is described as "but a small drop in the huge bucket of war." But he did find that in the empire air training scheme—and I want to commend this to my hon. friends opposite and especially to the Minister of National Defence for Air (Mr. Power)—there was the most promise for effective aid to the mother country; that it would be "Canada's greatest war contribution," but that it would not produce its first class of about forty pilots until this month, November, and would not reach its peak until late in 1941, two years or more after the war started. He made this statement with regard to aircraft production.

No aircraft engines are being produced in Canada. Air frames (or planes) are being produced at the rate of about 130 a month. About 110 or 120 of these are training planes —Fleets and de Havillands; the other ten are Bristol Blenheim and Hampden bombers and Hawker Hurricane fighters. About ten planes a month—mostly training planes—are being received from the United States. Present plans call for peak production—which it is hoped will be 320 to 360 planes a month, two-thirds of them training planes—by March, 1941, a plan that is not likely to be realized.

The next extract I shall skip, for it is long and not particularly important. This writer does not attach any blame; it would not be his function to do so. He gives independent testimony on what I have always maintained and on what the former Minister of National Defence specifically denied to me across the floor of this house; that, with respect to our first and second divisions, except for motor transport, rifles, uniforms and gas masks, they were virtually equipped in England.

Mr. Baldwin praises the quality of our fighting material. He states that, because of equipment shortage, men cannot be finally and well trained, but adds that personnel is alert and eager, and mentally of a high standard. They have been thoroughly drilled in fundamentals and are particularly well schooled in concealment, field craft and protection against gas. He was not, of course, referring to the thirty day training plan.

Summing up, Mr. Baldwin states that Canada's war effort is now—as of September, 1940, a year after the war began—

—commencing to mesh into gear, though it will still be eight to twelve months before the Canadian effort becomes a major factor in the war.

So much for the opinions of our friends to the south.

Recently I read with interest an article appearing in the London *Spectator*, written

by Mr. Grant Dexter, reviewing the position of Canada a year after the declaration of war. No one will accuse Mr. Grant Dexter of being unfriendly to this government. His article is laudatory rather than critical, as was to be expected; yet he too recognizes what we all know now. Canada made no real strides for the first eight months of the war. It was not until things began to happen overseas that Canada awoke from her complacency. Still she proceeded leisurely, and it was not until the fall of France and the epic of Dunkirk that this country and this government really awoke to the seriousness of the situation. There were people and newspapers which knew and which vainly attempted to arouse the Canadian people and this government, but it took a major disaster to the allied cause really to arouse all of them.

To-day the people of Canada want to know results. Since last June they have been fed a staggering array of figures of contracts let for equipment, munitions, supplies and a hundred other things. What are the results to date, fourteen months after the declaration of war? That is what the people want to know. That is why there was such a demand to have parliament resume its sittings.

I have a list of specific questions I want to ask the government.

1. Why have no rifles been made in Canada to date for use by our battalions? Why are our thirty-day trainees given only old Ross rifles, many of which may not be fired? Only those which have been reconditioned may be fired.

2. Why is there such a shortage of machine guns for use by machine gun units?

3. Why is signal equipment practically non-existent? Mr. Baldwin stressed this in his review of our conditions on October 1.

4. What is the position with respect to Bren guns? Why is there so much secrecy about their production? From time to time we are told that production of this and production of that is up to schedule or ahead of schedule, but we hardly know what the schedule is. What is the schedule in connection with Bren guns? We are told that it calls for a thousand guns by the end of next March, a large portion of which are to go to England.

5. Are there any 25-pounders for our artillery? According to Mr. Baldwin the answer is "only one." Our artillery units are armed only with obsolete 18-pounders left over from the last war. Two artillery units in training in my province, one at St. Stephen and one at Fredericton, have never even had a wooden gun with which to train. I talked to the officers personally, and they are just sick about it.

6. What is the stage of production of tanks in Canada? How far, if at all, have we progressed?

7. How far have we progressed in the manufacture of aeroplanes? I have been told that no engines are being made, that it is only hoped to make them at some indefinite time in the future.

8. What is the production of aeroplane propellors and hubs?

9. How does our effort compare with that of our sister dominion, Australia? From a recent account I read it would appear that in every field of war endeavour, Australia, with only about two-thirds as many people and probably less than two-thirds the wealth of this country, is far ahead of Canada.

I do not suggest now that there is not now the will to do. At one time that charge might have been justified, but the force of public opinion, coupled with the tragic trend of events last spring and summer, have shaken that complacency. It is no longer to be a comfortable, moderate war contribution, such as was promised in some quarters, in which Canada was to assume her own coastal defence and provide economic and material aid in foodstuffs and supplies.

These are some of the questions surging through the minds of the Canadian people after fourteen months of war. I suggest to the ministry that, in making reply, they eliminate the superlative and get down to realities and let the people know the facts. The people have been fed long enough with propaganda, dished up to them by high-powered press liaison officers. And when one man does not suit a certain cabinet minister he is fired, and somebody else is put in his place—probably for cause, I don't know. Specifically, will the government set up a committee or committees of the house before which these matters may be examined concretely, so that the naked truth may emerge?

Briefly—and I apologize to the house for taking so much time—may I refer to the international position. Certainly I do not want to do anything which would embarrass the government with respect to the situation on the Pacific coast. I do suggest, however, that the ministry should tell us something about our relations with Japan. From the information I get from British Columbia it would seem that there is a great deal of arrogance on the part of Japanese nationals who live in that province. I hope the Prime Minister (Mr. Mackenzie King) will make some reference to this situation.

Then, what about Vichy? From the beginning I have refrained from saying anything with regard to Vichy. I believe Canada

should follow a certain course, and I have indicated to the Prime Minister what in my opinion that course should be. I should not like to do anything which in any degree would embarrass the administration, but I do suggest the Prime Minister ought to make some reference to Vichy.

Now I turn to our relations with the United States. After the Ogdensburg meeting there was set up a joint defence committee and, to say the least, it has been functioning with great publicity. I have never condemned the Ogdensburg conversations. In the speech I made in Toronto I said it was capable of a high and noble purpose, and I believe so yet. But I thought I should sound a note of warning to the Canadian people that what was transpiring at Ogdensburg with great and blatant publicity had been carried on before with profound secrecy. And my colleague (Mr. Stirling) told that to the Prime Minister when we visited him on August 20.

I want to say this with respect to the references I made concerning Mr. Roosevelt, to the effect that it was window-dressing for him: I had no idea of referring to the impending election. But I did have reference to the difficulties Mr. Roosevelt was having with his own congress and his own congressional leaders. Why, it is well known that he had to get his attorney general to reverse his legal opinion about the delivery of the fifty destroyers. But he got the *quid pro quo*, and it took away the opposition from congress. That was the window-dressing I had in mind in connection with Ogdensburg.

Was there anything wrong about that? The hon. member for Yale and I went to see the Prime Minister. He was very frank with us; he told us that the conversations had been initiated by Mr. Roosevelt, and he told us why. He told us there were no commitments. I want to know what commitments there are to-day. I have not been able to find anything in the records yet, and I am asking the Prime Minister to be frank with the people of Canada. I agree that if Great Britain falls, which is unthinkable, then the matter becomes a very live and important one. But so long as Great Britain stands, so long as the British navy is there, so long as the Royal Air Force is our defender, the matter is not of first-class importance. I say that because the people of the United States themselves, and their leaders, have admitted that the British navy is their first line of defence.

There are one or two further points to which I should like to refer, and I turn first to the situation in Ireland. Last week I was greatly disturbed, in reading Mr. Churchill's speech on the progress of the war, by his very specific references to the fact that one of the great menaces at this time to the successful winning of the war is the destruction of British and allied shipping by submarines. I was deeply interested in the problem presented by the refusal of the government of Mr. de Valera in Eire to allow the British government to lease naval bases in Eire, and to use airports in the same jurisdiction. The failure of Mr. de Valera to cooperate with the British government and his adoption of an extreme position of neutrality in this great conflict constitutes a serious problem in respect of the success of the British arms and the winning of the war. In my humble view such failure is a valuable contribution to the axis powers. Something should and must be done to meet this situation. It is apparent, I believe, that the government of Eire will not recede from its position of non-cooperation as a result only of a request from the government of Great Britain. But that very fact opens an opportunity to the government of Canada to make a wonderful contribution to the allied cause.

On Friday last I read with great interest and appreciation a letter written to the Montreal *Gazette* by a famous padre, Archdeacon Scott of Quebec. May I be permitted to quote one or two sentences:

> We who in Canada live with and love the Irish (so many of whom have gone overseas, keen in their loyalty to the empire) feel that something could be done to save the bitter situation. We have nothing to do with the sad differences of Britain and Eire in the past. We are a new nation. French, Irish and British have found a deep heart union strengthened now by a common danger.

Then follows a most valuable suggestion, one which I desire to urge upon the Prime Minister and the government. I say the government should make a personal appeal to Mr. de Valera to lease to Canada for the duration of the war two ports on the west coast of Eire for use as empire naval stations. In addition to that, I suggest that Canada approach Mr. de Valera with a proposal that Eire lease to Canada certain strategic airports in the south and west of Eire for use as empire air stations.

I do not know whether such a proposal would be acceptable, but I do know that Canada should make the attempt. In days gone by Canada has been the friend of Ireland. She gave a warm welcome and opportunity to many Irish exiles in the days of long ago. She watched sympathetically, and sometimes helpfully, the creation of Irish freedom, and at successive imperial conferences and at Geneva Canada was a friend of Ireland. It may be that the position is not

easy for Mr. de Valera. The extremists in his party would raise the cry against him in days to come that he had brought back the British to Ireland. That theory would not be valid if he leased his bases to Canada, because no one can doubt that Canada would fulfil not only the letter but the spirit of the lease, and withdraw at the close of the war.

I do not think there is anything impracticable about the suggestion. It is important; it is pressing, and every avenue for its adoption should be explored in the common interests of all concerned. The suggestion is worth more than a trial; it should be pressed to fruition. More than that, may I make the further suggestion that if in approaching Mr. de Valera Canada finds opposition, it should enlist in such an effort, and I have no doubt would receive, the warm and sympathetic cooperation of the government of the United States.

Whatever may have been the attitude of Canada toward Ireland in the past, there can be no doubt that in days gone by a substantial element in the United States stood by the people of Ireland and gave material help and contributed in no small degree to the goal of Irish freedom. The support and sympathy and active aid of the United States should be enlisted. The problem must be solved, and it must be solved by peaceful negotiation. I suggest that here is an opportunity for this government to render a real service to the allied cause at a time when the submarine menace bears heavily upon our position.

May I bring to the attention of the Minister of National Defence a matter which is of some importance to the members of our armed forces. I want to make a plea on their behalf. I understand that the request has been made to the government that free transportation should be provided at the expense of the treasury for those entitled to what is known as the long leave or furlough. I am informed that this request has been made already, and refused. I hope the latter part of my information is not true. No doubt the matter is a difficult one, but I ask the government to reconsider its position and yield what is considered to be a right on the part of these men and their relatives. Home is sweet to all of us, but how much sweeter it must be to our volunteers who have been absent for six months or more, perhaps in an ancient colony or on one of the islands of the sea? There is a sentiment about this which just cannot be ignored. If the government will not yield, there will be much heartburning in Canada. We pay the entire cost of the transportation of the thirty-day trainees to and from the training camps. That is right and proper. I simply urge the government to pay the transportation of those on furlough. I am informed that this was done during the last war.

Mr. RALSTON: I may say to my hon. friend that that is not true.

Mr. HANSON (York-Sunbury): I stand corrected, but I was told that by a gentleman who served in the last war and who ought to know. If these men, some of whom have been absent from their homes in Canada for months in places distant two thousand or three thousand miles, are not given the necessary assistance, they cannot possibly make the trip home. I beg of the government that it reconsider its position and if at all possible yield to what seems to me to be a very human and, may I add, reasonable request.

I do not think that I should be doing my duty if I did not make some reference to finance. When the Minister of National Defence was Minister of Finance he brought down a budget providing for ordinary expenditures of about $477 million, which expenditures I think could have been materially reduced. He budgeted for war expenditures of over $900 million, a total of nearly $1,400 million. I am told that the daily war expenditures, which of course are in addition to the ordinary expenditures, are now approaching $3,000,000. The revenue from taxation is about $750 million, which is based upon a national income of $4,500 million. This would appear to be an over-estimate when we consider that we cannot sell our wheat and other field crops which form the major part of our normal production. This deficit of $600 million must be taken care of by borrowing.

We have had two war loans. The first war loan of $200 million was over-subscribed by fifty per cent in three days. The second war loan of $300 million was subscribed for only after three weeks, and then under pressure.

Mr. ILSLEY: Under two weeks.

Mr. HANSON (York-Sunbury): I think it was longer than that; my recollection is that it was three weeks. However, that does not matter. We do know that the second war loan was a flop.

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): It was a flop; I do not care what the minister says. I have been out through the country and I know what the people think about it. What were the causes for the failure of this second war loan? I am trying to help the minister, if he only knew it.

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): Hon. members may laugh, but I am concerned about this thing. This money must be forthcoming. It is a matter which concerns the credit of the Canadian people. This money must be forthcoming from the Canadian people, because there is no other source from which it can be obtained.

I have been trying to analyse the causes of this failure, which are many and varied. The first cause, I think, is the lack of war fervour on the part of the rank and file of the Canadian people. I am convinced that there is nothing like the war fervour that existed between 1914 and 1918. To-day we have the radio over which we get broadcasts from here, there and everywhere, and it may be that we have become saturated with war news and are ready to turn away.

I believe another reason for this lack of fervour is the fact that there are not the heavy casualty lists which we had in the last war. Those were the things that made us think and act. I pray that we may not have them, but I do believe that that is one reason for this lack of fervour. I am trying to analyse the situation as honestly and objectively as I possibly can. That is number one.

Then I lay at the feet of the administration the charge of having imposed tremendously heavy and oppressive taxation by the 1940 budget. This taxation affected those who ordinarily would have subscribed millions of dollars. The people are now bewildered with the fear of being unable to pay this greatly increased taxation. We are taxing the well-disposed to the limit. There was no equality of sacrifice in the 1940 budget. I place the responsibility for this squarely upon the administration.

I think there was another reason for the failure of this war loan. It was left entirely in the hands of the investment dealers' association. I have nothing against these gentlemen, although there were times when I wish they had not come around—that is, as far as my own private affairs were concerned. They unloaded a lot of pretty poor stuff upon the people of this country between 1921 and 1930. I suppose the old maxim of *caveat emptor* prevailed during that time as well as at other times. War loans cannot be put over in this way. The Minister of Finance set up a national committee composed of a number of men with imposing names, some of them with one foot in the grave and others who could not act at all, but this committee never met. Provincial committees were set up, but the members were never asked to meet. There is a gentleman in my town, one of the finest citizens we have, who would have been only too glad to act, but he was not asked to do anything.

This kind of set-up is not good enough. When the next loan comes along, and I assume it will be upon us before very long, some better method will have to be adopted. I suggest to the minister that there should be community efforts headed by men who are absolutely disinterested. We on this side of the house will be ready to help with the greatest good-will. We know the money must be forthcoming.

Then there is another factor to be considered, and I draw this to the attention of the Minister of Finance. There has grown up in the minds of the people of this country a resistance against lending money to the government when they know that there has been great extravagance in government expenditures. This has created resistance in the minds of many whom I have met.

Take the question of the building of these hutments. They are built on a specification which I suggest is too high. I am told—the minister will correct me if I am wrong—that it was established in England. I have talked to contractors and engineers, including government engineers. Of course the government engineers justify the specifications for a high-class type of building. Naturally if these buildings are to be occupied for a number of years they should be well built; but what excuse is there for putting 2 x 10's planed on four sides in these buildings? Do you know what that costs? If you do not know, just go and ask any good lumberman here in Ottawa and he will tell you how much it adds to the expense to plane on two sides.

Mr. CRUICKSHANK: May I ask the hon. gentleman a question? Is there any difference between the cost of planed lumber and the cost of rough lumber?

Mr. HANSON (York-Sunbury): Certainly. I will say, yes.

Mr. CRUICKSHANK: Not in British Columbia.

Mr. HANSON (York-Sunbury): I have been in the lumber business for a long time, and associated with it in a big way, and I tell the hon. gentleman that it costs more to buy planed lumber. But that is mentioned only as an illustration of what I am trying to impress upon the house. I have found that you cannot tell engineers much, and I have had some experience with them. I am told by competent engineers that the hutments could be built by contract, instead of by day labour, at a saving of twenty-five per cent. I commend that information to the minister.

He has got to step on this thing. The people of Canada look to him to protect the treasury; if he does not do it they will not give him the money. This charge of extravagance is in the mouth of everybody.

I will give the house just one other illustration. Potatoes come to the camps in 90-pound bags. The bags in which they are packed cost and are worth five cents each. For a long time those bags were not reclaimed; they were thrown out and afterwards picked up by the kitchen help, and a dealer came around and obtained them in return for a few cigarettes, and took them away and probably sold them to those who were supplying the government. That sort of thing went on for quite a long time. I believe that now it has been corrected. I mention it merely to illustrate the fact that apparently nobody is charged with the responsibility of looking after little things and that there is terrible waste. All war, of course, is waste. But here is one reason why this loan did not go over; people see every day instances of extravagance.

I am not going to dilate on the fact that there is a feeling that this is a Liberal war. It is true that in some quarters there are people who say, "All right, you are running this war, you can pay for it." That is not a good enough excuse. Neither is that excuse good enough which I heard from a man—I am not going to tell you where or when—who said that he would not subscribe to the war loan because the rate of interest was not high enough. I have no sympathy at all with that kind of person. This is Canada's major or premier security, and I want to say to the minister that in my opinion the rate of interest is adequate, and he should be able to get under present conditions the money which we know is available, because there is more than a billion and a half dollars in the savings banks of this country. Moreover, the money which the government is spending is trickling back to individuals and companies who will invest more. The money is there if you can get it, but you must get it by proper means, and you must induce people to give upon proper premises.

The plain truth is that the treasury must step in and put a brake on foolish and extravagant expenditures. I once told this house, I think it was in a budget debate, that I believed the people of Canada would give the government the money with which to carry on this war, but they will hold the government to a strict accounting; they want to know how and where the money is going.

I had intended to call the attention of the Minister of Finance and of the government to the question of empire and Canadian trade balances with the United States. This is a matter which should give this government and this country some cause for consideration. It is of grave concern how we are going to protect and maintain our exchange position on anything like an equitable basis. It we are to do so, drastic steps will have to be taken by way of further restrictions on imports or we shall have to sell more to the United States.

I need not refer to the Montreal terminals—that shocking thing which the minister put over last session to pay an election debt—the steel for which, I am told, was all imported from the United States. The first problem, that is to say the protection and maintenance of our exchange position, is wholly within our own jurisdiction. But the matter of selling more to the United States depends on the generosity, perhaps on the business foresight, of our great neighbour to the south.

What is the position? I have grouped a set of figures which I do not wish to take the time to read but which are obtained from the October letter of the National City bank. They refer to commodities only; they do not relate to invisible balances or, I believe, to exports of gold. I am going to ask leave to have these figures printed in *Hansard;* otherwise I shall have to take the time of the house to read them. They show substantial adverse balances, as between the empire and the United States, for the three years ended August 31st last, totalling $1,624,-000,000, or over a billion and a half dollars.

From the same source I have the figures with respect to Canadian trade with the United States in the same period. They show an adverse balance in respect of commodities only of $569,000,000. The comparative figures are all taken from records published by the National City bank, and I should like to ask the privilege of putting them on *Hansard* so that they may be available to hon. members.

Mr. SPEAKER: With unanimous consent.

Mr. HANSON (York-Sunbury): The table follows:

Empire-United States Trade—Commodities

Year ended August 31	Empire purchases from U.S.	U.S. purchases from Empire	Adverse balance
1937-38	$1,372,000,000	$1,120,000,000	$ 252,000,000
1938-39	1,291,000,000	639,000,000	652,000,000
1939-40	1,790,000,000	1,070,000,000	720,000,000
Total	$4,453,000,000	$2,829,000,000	$1,624,000,000

Canada-United States Trade—Commodities

Year ended August 31	Canadian purchases from U.S.	U.S. purchases from Canada	Adverse balance
1937-38	$ 510,000,000	$ 399,000,000	$ 111,000,000
1938-39	468,000,000	260,000,000	208,000,000
1939-40	660,000,000	410,000,000	250,000,000
Total	$1,638,000,000	$1,069,000,000	$ 569,000,000

We cannot continue indefinitely to carry this burden. I ask the Minister of Finance to do me the honour of reading and studying these figures, and to tell us at some time what the government proposes to do about the situation which they disclose. It is not exactly for me to suggest a remedy. That task is imposed on the minister, but the remedy must be found. We cannot, I submit, provide these balances on the three-way basis of settlement as we have done for years and years. The adverse balance of trade as between Canada and the United States since confederation has reached, not hundreds of millions, but billions of dollars. This balance we have paid only by our exports to other countries.

It seems to me that there are two remedies: first, further restrictions on imports, particularly luxuries; second, our good neighbours to the south should have their attention called to the situation and be invited to help in providing a remedy. I would say that the best type of remedy would be greater purchases of Canadian commodities by the United States, and to that end the whole position at present existing in respect to the Canada-United States trade agreement should be reviewed.

It seems to me an anomaly that a nation of 130,000,000 people should buy from a small nation of less than 12,000,000 so much less per capita than we buy from them. Here, I suggest to the Prime Minister, is an opportunity to exercise that power of good-neighbourhood for which he is so justly famous and to which his follower referred the other day.

Applying the remedy which lies within our own power, namely further restrictions on importations, I believe that will have to be done. We shall have to tighten our belts still more. May I point out to the minister that when he applies that remedy he may create an evil that should be avoided. If you shut out anything in the nature of competition it may cost the Canadian consumer a great deal more—and I want to illustrate that with one article. I know of a commodity produced both in Canada and in the United States, a manufactured article used as raw material in the manufacture of a finished product sold to Canadians and to the Canadian army. I have been told that up to October 15 last this product could be purchased in the United States and laid down in Canada cheaper than it could be purchased in Canada from Canadian producers after paying a burden of 48 per cent on the invoice cost.

Mr. RALSTON: Will my hon. friend let us into the secret to the extent of saying whether it is a military supply, or a supply for the air force or the navy?

Mr. HANSON (York-Sunbury): It is used by all of them. I will tell my hon. friend privately that it is something which is in common use. He uses it; I use it; the navy, the air force, the army, all use it. It is a simple thing—sole leather.

Mr. RALSTON: The secret is out.

Mr. HANSON (York-Sunbury): Yes. Let me give an illustration. Take an invoice of $100. You add 10 per cent exchange tax and that gives you $110; 25 per cent duty, or $25, brings it to $135; add the sales tax of 8 per cent on $125, or $10 more, and you have $145; then take freight, cash discount, and so on, 3 per cent, or $3, and you have a total cost of $148 on an invoice of $100. Up to October 15 a man could buy goods of this kind to the value of $100 in the United States and bring them here and save money. That is a condition I should like the government to look into. It should be referred to the war prices board. I do not want them to be bamboozled by any leather controller who is himself interested in leather production. Let us get away from that sort of thing.

We have been told that prices are being held down. Perhaps they are, but I have

been informed that the price of sole leather has been raised three times in Canada since the declaration of war. The price index shows that wholesale prices have risen 14·4 per cent since the war began, yet we are told that the cost of living has advanced much less than that. I know it cannot be so; just ask the housewife. We have war inflation. Wages will have to increase, and the vicious spiral is upon us.

I am not going to apologize for dealing with the Rowell-Sirois report. This is one of the most important matters that should engage the attention of parliament. I will try to compress what I have to say with respect to it. I regret exceedingly that the Chief Justice of Ontario, who originally headed the commission, had to resign because of ill health, but I do congratulate the government on having been fortunate enough to obtain the services of Mr. Sirois, whom I have known for quite a number of years and with whom I have collaborated professionally in days gone by. He carried on with great competence and dignity, and I met him in Fredericton when he acted on the commission.

I have always felt that, however eminent was the personnel of the commission, its composition had a decidedly political flavour. It would have been wiser if someone who took a rather different view of our constitutional problems had been a member. That suggestion was made before, I believe, but it was not adopted. However, I do not wish to be taken as in any degree attacking the personnel of the commission. They were all students and exponents of our constitution, although it is fair, I think, to say that they were all of the same school of thought.

The report is voluminous and it is beyond my capacity to analyse it all. At this stage it is not necessary. I have, however, read the summary of its recommendations and portions of the report itself. I have likewise read with great interest a number of articles analysing the recommendations. With some of the recommendations I am in accord; with some I feel sure there will be great difficulty in reaching agreement and action, and as to others I hold the view that they should not be implemented at all. The time has not arrived, however, at which any specific declarations should be made with respect to my particular position. I suggest that it is wholly wrong to say that this report represents "a new charter for Canada," as was suggested on Friday last by the hon. member for St. Lawrence-St. George (Mr. Claxton). It is not a new bill of rights. Rather is it a reorientation of the powers conferred by the British North America Act—a reallocation of powers. As I understand our constitution, we now have all the powers we need as a member of the British empire, save and except the right to amend our own constitution. The most vital part is a reallocation of the powers of taxation, and it is that part of the report to which attention should be given.

On Thursday last the Prime Minister announced the calling of a dominion-provincial conference to be held some time in January, while parliament is not in session, and he laid on the table—and this has been printed in votes and proceedings—his letter of November 2 to all the nine provincial premiers. As I recollect, it was reported that eight provincial premiers had accepted the invitation to attend, and since the Prime Minister made the announcement the premier of Ontario has announced the intention of his government to attend and participate. But the announcement was coupled with a warning that "Ontario is opposed to any move to raid Ontario taxpayers for the benefit of other provinces." Well, to say the least, that is rather a jarring note and does not suggest unanimity. I do not wish to characterize it as anything worse than that. Apparently the premier of Ontario was opposed to any discussion, according to newspaper report, taking the view that there should be no possibility of any controversial issue arising which might impair national unity and the effective prosecution of the war.

It has been said in the press that the conference will be a re-confederation conference. In my view this is a rather large order and one that is not likely to be achieved. There are in this country some people who are apt to view lightly the achievements of the fathers of confederation. I do not share that view. I hold the view that they did a wonderful work in that they created a nation in the northern half of this hemisphere, and I believe that their work will endure. The hon. member for St. Lawrence-St. George on Friday quoted some unnamed private member with reference to the British North America Act as speaking of "the miasma of the constitution". That, I suggest, is a misnomer. Our constitution is not a miasma, but the interpretation of the constitution by judicial bodies has in a degree led us into a miasma of doubt as to just what at times the constitution really is. It is a repetition of the theory enunciated by a great chief justice of the United States that "the constitution is what the judges say it is"—speaking in reference to the constitution of the United States. That was never the intention of the founding fathers so far as Canada is concerned. Down to 1910 no great difficulty had arisen out of the interpretation, but in that year a noble law lord developed a new theory from which

trouble has flowed almost ever since. I could refer to suggestions that have been made by Mr. W. F. O'Connor, K.C., with reference to a declaratory statute. I shall not take the time to do so.

I hold the view that the fathers of confederation intended that Canada should have a strong central government. That view has been weakened by judicial interpretation of the British North America Act. It must not be weakened further. That is my own personal view, and I have not asked any of this galaxy of constitutional lawyers who sit behind me what their views are. I am very strong in the view that the central authority must not be weakened. If anyone doubts the soundness of the view that we must have in Canada strong central governmental powers, let him read the "peace, order and good government" clauses in section 91 and note the use to which these powers have been put in the testing times of war. That is the acid test as to whether we should have a strong central government or not. If we are to consider the Rowell-Sirois report I am in agreement that we should not postpone dealing with it until after the war. But I do suggest to the Prime Minister that because of preoccupation with war measures and war activities it may well be that the government and parliament cannot give to the consideration of the problems arising all the thought and reflection necessary. But in my view that is not a valid reason for postponing its consideration. We may not get as good results as we might under less pressing conditions, but we should not postpone its consideration.

It is stated by the commission, and I believe the Prime Minister has more or less adopted this theory that:

> The need for some action designed to enable the people of Canada to throw their whole weight into any great national effort, such as the struggle to which they have committed themselves, and at the same time to ensure the smooth working of the social and educational services necessary for the welfare of the mass of the people, is far greater and far more urgent in time of war and of post-war organization than it is in time of peace.

The commission also declared that it is precisely to these two main objectives that its chief recommendations have been directed; that is to say, the throwing of the weight of the country into a great national effort and consequently ensuring the smooth working of the social and educational services on which the welfare of the people depends.

If it is necessary to implement the report in order to enable the people of Canada to throw their whole weight into the great national effort in which we are engaged, why has the government waited so long? The report was in the hands of the government when parliament met in May. It is now six months since it was tabled, and the whole outline of the recommendations and the suggested new relationship between the dominion and the provinces has been well known and well understood. We had a recess of three months from August. Why was this move to confer not made between August and November, if it was so important and so urgent? I do not know whether the talk of coalition had anything to do with the matter. I ask the Minister of Mines and Resources (Mr. Crerar) who flew out west the other day for some reason or another.

Mr. CRERAR: May I set my hon. friend's mind at rest immediately—

Mr. HANSON (York-Sunbury): My mind is not troubled about anything the minister may do.

Mr. CRERAR: May I say my hon. friend has a totally wrong impression.

Mr. HANSON (York-Sunbury): I am just querying the minister.

Mr. CRERAR: I may tell my hon. friend that any coalition in Manitoba had nothing whatever to do with this question.

Mr. HANSON (York-Sunbury): Then we have the answer. A cat can look at a king; surely I can look at the Minister of Mines and Resources and ask him a question.

It will be exactly eight months from the time the report was tabled until it is to be considered at this conference. One of the leading recommendations of the commission is with respect to the reallocation of taxing power. This is of great and direct interest to industry and to every part of the community upon which the burden of taxation falls. Portions of the recommendations of the commission go some distance in an effort to meet the submissions on taxation made by various semi-public bodies, and it is felt that the implementing of these recommendations will contribute greatly to the financial strength and stability of the country, because it is believed that it will

(a) reduce substantially the cost of tax collection;

(b) remove causes of friction between the ten existing taxing authorities;

(c) and enable business to expand, with relative increase in national income.

To these I should like to add this hope, that

(d) there is a strong possibility that their implementation will reduce in some degree the burden of taxation itself.

One word more on this subject. I am bound to say that I believe that a dominion-provincial conference is not good enough. There will be seated at that conference representatives of probably less than half the people of Canada. There should be, in addition to the provincial premiers, the leaders of the opposition groups in this house and in the provincial legislatures, and there should also be invited to be present—and not merely as spectators—leaders of public opinion in other spheres of human activity in Canada; in particular, representatives of taxpayers. Surely they are entitled to be represented; they pay the bill. Boards of trade, chambers of commerce, labour and farm organizations should be invited to be present and join with the government in a great round-table conference. Unless that principle is recognized it can never be said that there was a genuine national attempt to solve the problems immediately under discussion. I desire to emphasize this particularly. It may be a departure from the practice of the past, but I suggest to the Prime Minister and the government that such a course would be an evidence of the working of democracy in Canada that in days gone by has not been evident. In any event it would do nothing but good; it may do a great deal of good.

I did intend to say something about the St. Lawrence waterway, but I do not think I should trespass much longer on the time of the house. The Prime Minister to-day tabled the correspondence, and I have not had opportunity to look at it. I shall therefore reserve what I have to say on that matter. I had also intended to say something about leadership in Canada, but also reserve my remarks on that subject until a later date.

I cannot, however, refrain from saying something about the position of truck transportation in the province of Prince Edward Island. I want to draw the attention of the Prime Minister to a condition in that island, which gave him a haven at one time, also of the Minister of National Defence (Mr. Ralston) who has a haven there now, and of my friends the hon. members from the counties of Queens and Kings. I refer particularly to a condition that obtains there with respect to the ability of the farmers of Prince Edward Island to market their products. I hold in my hand a copy of what is the charter of union for the province of Prince Edward Island, an order in council passed at Windsor on June 26, 1873, with which I suppose every individual in that province is familiar from childhood, but which, strange to say, I never heard mentioned in this house until now. I am sure the senior member for Queens (Mr. Douglas) knows that upon this charter of union the people of Prince Edward Island have always based their claims in the matter of transportation.

For years Prince Edward Island has suffered because of its insular position. I well remember the agitation, extending over a long period of years, for a tunnel. That hope was never realized; probably it never will be. But I remember that in 1911 in Charlottetown Sir Robert Borden made a great speech in which he said that Prince Edward Island had never been fairly treated by any government in the matter of transportation. He promised then and there that he would have a car ferry established, and he did so. Since then we have heard nothing more about a tunnel. The operation of that ferry was entrusted to the Canadian Government Railways, now the Canadian National, and for a time all went well. Then, with the changing character of transportation, there came into operation in Prince Edward Island, together with the rest of Canada, motor truck transportation, using the internal combustion engine; and with this truck competition it is no longer economical to transport island products by rail for short hauls. This condition is apparent everywhere, but the advantage to the primary producer has not reached the island producer, who has a substantial grievance against the Canadian National, which operates this ferry for the government, and also against the government.

The position is this. A producer with a truck desires to sell his load of potatoes, or oats, or whatever it may be, on the mainland and bring back a return load of coal, lumber, manufactured goods or something else. He can get transport on the ferry for his motor truck, all right, but not on the basis of a private motor car. He must pay ferriage on his truck, railway freight on his load of potatoes, ferriage on his truck when returning and freight on his return load, the freight depending upon the classification of the commodity. The charge for a five-ton truck is $12 each way for the truck alone, or a total of $24. With a three-ton load of commodities I am told that total charges for ferriage and freight both ways is about $50, in order to get across nine miles of water with a third class commodity.

I am sure this matter has not been brought to the attention of the Prime Minister or it would have been remedied long ago. This was the first I had heard of it, at all events, and I am bringing it to the attention of the right hon. gentleman and his colleagues. What would the other provinces of Canada

think of such a cost, which is equivalent to a tariff, in order to cross the border of an adjoining province? Then think of the expensive canal system which we have built and which we operate without charging any tolls to the ships using it. What farmer can stand a toll like the one I have mentioned? I am told that this situation has obtained for years and has been a source of great inconvenience and loss to the island farmers. This is a restraint of trade by a government service.

Some two or three years ago an effort was made, I think by Mr. Dunning at the instance of the Charlottetown board of trade—I am quite prepared to give the credit wherever it is due—to alter this position. A scheme was suggested and adopted whereby, under the auspices of members of the Charlottetown board of trade, a company was formed with sufficient paid-up capital for the establishment of a truck and motor car ferry between Wood Islands, Prince Edward Island, and Caribou, near Pictou, Nova Scotia. By means of a grant from this parliament, facilities were constructed for landing docks on the island and at Caribou. This scheme was to be assisted by an annual subsidy of some $28,000 from the federal treasury for the service of a ferry steamer which was to operate for seven months of the year, from May 1. I am told that this scheme, if developed and put into operation, would greatly reduce truck transportation costs between the island and the mainland. A boat was purchased; I think it was called the *Sea Hawk,* or some such name, and renamed the *Charles A. Dunning.* I am told that this boat was admirably adapted for the service, but shortly after the outbreak of war it was requisitioned by either the Canadian or the British naval authorities, so the service never went into operation. Then another boat was obtained and put into condition at great expense. This boat also was requisitioned by the naval authorities, and again the service was not put into operation. Finally the old *Hochelaga* was trotted out. This boat is totally unfitted for the service, as I can personally testify.

I do not want to say anything I should not say, but it appears that the first boat obtained, the *Dunning,* never has been put to use by the navy but is being used as living quarters for naval officers in the city of Halifax. I am told that there is some naval etiquette attached to this matter, and I may not know all the ramifications of it, but I should think we could find some place else for the naval officers to live, if they must live afloat, instead of robbing the people of Prince Edward Island of the boat they bought and fixed up for this important service. I think I know the true significance of it all, but I am not going to say anything more about it. This sort of thing ought to be rectified. The first boat never has been used for anything but living quarters for certain officers. This state of affairs seems unfair to the private interests developing the scheme, to the farming and fishing industries, and particularly to the tourist trade of the island province. Prince Edward Island is represented in this house by four supporters of the government, but so far as the records show, their voices never have been raised in connection with this matter. Why? Let us have an end to this sort of thing; let the farmers of Prince Edward Island have a fair chance to sell their produce in competition with those on the mainland. That little island sent five thousand volunteers, out of a total population of eighty-nine thousand, while voluntary recruitment was in force. Its record has not been equalled by that of any other part of this dominion. That is the sort of people they are, and I submit that they are entitled to a little better treatment in this matter. I have high hopes that I need only to mention these facts to have the situation rectified. How can the island farmer live, let alone prosper, with oats at 25 cents a bushel and potatoes at 30 cents a bag? Those were the prices in October.

I have almost finished, Mr. Speaker, but before I take my seat I want to refer briefly to two other matters. We on your left, sir, hold the view, and I believe it is well founded, that it has been the deliberate policy of the government, during the past session as well as during the interval since we adjourned in August, to endeavour to create the impression that all was well with our war effort. In our view the government has sought to lull and soothe the Canadian people into a false sense of security, and continues to do so. It has sought to convince the people that we are living in the best of all possible worlds. Those who are alive to the situation know the dangers that lurk behind such a position, and they are alike alarmed and anxious. Knowing of this feeling I am impelled to propose to the government that it cause to be set up immediately two select special committees which will be charged with the responsibility and the duty of investigating and reporting to this house factually, objectively and truthfully, without bias and without partisanship—and I have no doubt that is possible—what is our exact position (a) with respect to our fighting forces, military, naval and air; and (b) with respect to the production and delivery of all the important materials, equipment and supplies necessary in our war effort, so that the

Canadian people may know the truth. Before such committees ministers could appear and be subject to questioning. Progress reports in the form of speeches in the house by ministers are not good enough. You can never elicit the naked facts in that manner. Only the time-proven method of cross-examination by question and answer will suffice. The process should be free from anything in the nature of propaganda. The public has been fed that until it is nauseated. Let us face the facts—not by the methods of the Canadian Broadcasting Corporation but by the methods of the round table.

The government may hold the view that it is not in the public interest that the facts and figures for which I am asking be disclosed. I know the matter is not free from difficulties. When I make the proposal I visualize many of its implications, but I am convinced that the method I have suggested is the only real way in which the government may satisfy the public. I am willing with some of my colleagues to meet with the Prime Minister and some of his colleagues so that we may consider the whole proposal, in an honest effort to arrive at a conclusion.

The other point to which I wish to refer is the plight of agriculture in Canada. From observations I have made and from reports which have reached me I know that agriculture in Canada is in a serious condition. How is the farmer of New Brunswick to live on 50 cents a barrel for his potatoes, when the production cost is nearly a dollar? Help is being given to the wheat farmer—and properly so—and to the apple farmer. What about the farmer in New Brunswick? In Canada we have nearly a million farmers. Approximately one-half of our population is directly or indirectly dependent upon agriculture for its daily bread. The farmer is not and for a long time has not been receiving a just, fair and reasonable return for his products. Instead of improving his position, as was anticipated by most people—and I must confess I was among the number who thought his position would be improved—the war has actually accentuated his distress. To say that until we have a prosperous and contented agricultural population in Canada we can have no happiness is merely to repeat a truism.

It is a matter of profound regret to me, and I am sure it will be to the agricultural population of Canada, that no action of any sort is even indicated in the proposals set out in the speech from the throne. This condition cannot continue, and I desire to bring home to the government the seriousness of the situation and to ask that this omission be given immediate attention. With that end in view I propose to move an amendment to the resolution under consideration. I therefore move, seconded by the hon. member for Yale (Mr. Stirling):

That the following be added to the address to His Excellency:

"We respectfully submit to Your Excellency that this house regrets that the government has continued to soothe the Canadian people regarding the war effort of the nation, thereby creating a false sense of security when a clear-cut call to action is desperately needed.

"And this house further regrets that despite the serious condition of agriculture no effective action is proposed to alleviate that condition and to ensure to the Canadian farmer a just, fair and reasonable return for his products."

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I should like to join with the leader of the opposition (Mr. Hanson) in the congratulations he has extended to the mover (Mr. Claxton) and the seconder (Mr. Jutras) of the address to His Excellency in reply to His Excellency's speech from the throne. May I also thank my hon. friend for the tribute he paid to the talents of the hon. members who moved and seconded the address in reply.

Speaking at the opening session of this parliament I remarked that I believed Canada was particularly fortunate in the fact that a large percentage of members elected for the first time to seats in parliament had given so much of time and thought to a study not only of Canadian but of international problems. I pointed out that not only was that a fortunate condition for the hon. members themselves, but one particularly fortunate for parliament. If we needed a demonstration of the truth of that statement I am sure we received it in the excellent speeches made on Friday last.

The hon. member for St. Lawrence-St. George (Mr. Claxton) comes to us with an established reputation. The high position he has attained at the bar of his own province was known to many of us. We knew, too, the extent to which he had given serious thought and study to social, industrial and international problems. Therefore we expected that, when he addressed the house, we would hear a speech which would evidence thoughtful consideration of the great problems confronting the world to-day. We had reason to believe that the hon. member would be statesmanlike in his utterances. We were not disappointed. The speech delivered on Friday last by the hon. member for St. Lawrence-St. George revealed how fully he appreciated the magnitude of present-day problems and that he had gone deeply into the causes which

have contributed to the present world situation. It indicated, too, that the hon. member had given careful consideration to the policies which may be necessary to meet the situation which faces us. No finer introduction could have been made to the consideration and discussion of the great problems with which in the present session we shall be obliged to deal.

The same might be said of the speech of the hon. member for Provencher (Mr. Jutras). His, too, was an excellent introduction to the consideration of questions we shall have to take up this session. The hon. member sustained the high position enjoyed by his constituency in the public life of Canada. In a way Provencher is typical of the whole of Canada. It is a constituency standing midway between the Atlantic and the Pacific. Its population is divided almost evenly between English-speaking and French-speaking citizens. Moreover, through the course of the years since confederation, it has enjoyed representation of a varied character. I need not remind hon. members that at one time Conservative opinion in that constituency was represented by no less distinguished a person than Sir George Etienne Cartier. I need not remind those who, like myself, are inclined to be more or less radical, that Louis Riel was also elected to represent that constituency. I need not add that through the years the constituency has been represented by many distinguished Liberals. To do justice to a constituency so representative, that it is practically a microcosm of our whole dominion, is no small task. I would say to the hon. member who, by the way, is one of the youngest members in the house, that in the manner in which he spoke on Friday alike in French and in English he reflected great credit not only upon himself but upon his constituency.

With respect to the speeches of both hon. members there is one significant fact which I hope all of us may find it possible to keep in mind during our discussions at this time and in this place. The two hon. members are representative of minorities in their respective provinces. The hon. member for St. Lawrence-St. George is of the minority in race and religion in the city of Montreal and the province of Quebec. The hon. member for Provencher is of the minority in race and religion in the province of Manitoba. These two gentlemen made a similar appeal to this House of Commons. Each made a strong appeal for toleration, and above all for unity in this dominion of Canada. In that appeal for toleration, in that appeal for unity, I believe they rendered the greatest service that could be rendered in addresses given at the opening of a new session of parliament. I noticed that their speeches were eloquent of that feeling of harmony and goodwill which, despite the existence of war in the world to-day, fortunately continues to be characteristic of the spirit of our country.

In the nature of things we will be forced to discuss, probably pretty warmly, many questions which will come before us. I am sure, however, that hon. members will realize that at this time, perhaps as never before, each and every one will be called upon to exercise a measure of restraint in what we say concerning our own problems, and an even greater measure of restraint with reference to what we say about other nations and their problems.

May I come now to the remarks of my hon. friend, the leader of the opposition (Mr. Hanson). Let me say that I do not intend to be critical of what he has said. He has fallen into the error, of which I have been guilty frequently, of trying to take up too many things at one time. I can be sympathetic with him in that regard. I feel that his address would have been improved had he devoted more of it to the immediate world situation and Canada's effort in relation thereto, and foregone taking up so great a variety of topics. He might have waited until a little later in the session to deal with some of them.

His first criticism was of the speech from the throne. I was not at all surprised at that because I fully expected it. Had I made a long speech—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: —or, rather, had I advised His Excellency to make a long speech, I am sure my hon. friend would have taken me severely to task and told me that I had not learned from experience. On the other hand, because the speech has the merit of brevity, he now says, to use his own words, that "it falls short in everything else by which we measure what a speech from the throne should be." This afternoon my hon. friend showed great admiration for Britain. It would be a strange thing if any speaker to-day or at any time had not the strongest admiration for Britain. I share all his admiration for Britain, but I believe that perhaps I have a greater admiration for Canada than he has. I do not mean that my admiration for Canada is greater than is my admiration for Britain. I mean that on the score of admiration I see no reason for drawing a line between our respective loyalties.

I refer to what my hon. friend has said about Britain because in thinking of the

advice I should tender his excellency I went to the trouble of looking up the speech from the throne which was delivered in the United Kingdom at the session held after war was declared. I found it so admirable that I thought I could not do better than repeat as nearly as possible the language of that speech. Perhaps I should give hon. members quotations from the speech from the throne delivered in Britain on November 28. I hold in my hand one page which contains the entire speech. I should like to direct the attention of my hon. friend particularly to the first paragraph. He has said a good deal this afternoon which has been critical of Canada's war effort. I feel that he has been giving us a picture of what is in his own mind, arising out of his conception of his duty as leader of the opposition. I do not believe, however, that the point of view which he has expressed in regard to Canada's war effort reflects the opinion either of the people of Canada, or of the people of the great republic to the south to which he has referred also, or of the people of Great Britain. He will find in the opening sentence of the speech from the throne delivered in Britain on November 28 words which will be a complete answer to much that he has said by way of criticism of Canada's war effort. The king's speech was as follows:

My lords and members of the House of Commons,

The prosecution of the war commands the energies of all my subjects. My dominions overseas are participating wholeheartedly and with an effectiveness which is most gratifying to me.

Mr. HANSON (York-Sunbury): That was a year ago.

Mr. MACKENZIE KING: This was delivered on November 28, 1939. I quote again:

Throughout the world my navies, together with the merchant navy and fishing fleets, are keeping free and open the highways of the sea. At home, in France and in all stations overseas, my armies and air forces are fulfilling their tasks. I am well assured that they will be equal to any efforts and sacrifices to which they may be called.

Members of the House of Commons,

You will be asked to make further financial provision for the conduct of the war.

My lords and members of the House of Commons,

Grave responsibilities rest upon you at this time. You will, I am convinced, express the resolution of the nation.

The measures which will be submitted to you are such as seem necessary to my advisers for the welfare of my people and the attainment of the purpose upon which all our efforts are set.

I pray that Almighty God will give His blessing to your counsels.

I wish to draw particular attention to the reference to the legislative programme, because it was to that aspect of the speech that my hon. friend referred especially. It was that reference which caused him to say that "the speech from the throne falls short in everything else" — meaning brevity — "by which we measure what a speech from the throne should be." The legislative programme of the parliament of the United Kingdom relates to all its responsibilities, both domestic and imperial. That parliament has to deal with matters similar to those dealt with by our provincial legislatures, in addition to those matters with which this parliament has to deal. The parliament of the United Kingdom has also to do with a vast colonial empire scattered over many parts of the world. Yet the legislative programme as related to all this, as outlined in the speech from the throne, reads:

The measures which will be submitted to you are such as seem necessary to my advisers for the welfare of my people and the attainment of the purpose upon which all our efforts are set.

This resembles fairly closely what His Excellency was kind enough to say at my suggestion:

The measures which will be submitted to you are such as seem necessary to my advisers for the welfare of the country, and for the prosecution of the war to the utmost of our strength.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MACKENZIE KING: Mr. Speaker, before the recess I had occasion to refer to the comment which my hon. friend the leader of the opposition (Mr. Hanson) made upon the speech from the throne. In the course of my hon. friend's remarks he referred not only to the speech of his excellency at the opening of the present parliament, but also to the speech which was delivered by the deputy to the Governor General at the closing of the last session of parliament, which took place two days previously. My hon. friend's comment in reference to that speech was that it indicated a change of point of view on the part of the government; he said that he had been urging all along that the emphasis in all matters of war effort should be placed upon the defence of Britain, whereas the administration seemed to have had in view as its first obligation the defence of Canada. My hon. friend cited as evidence of the

accuracy of his statement the following passage from the speech from the throne of November 5:

> The measures which you have taken have had in view the immediate task of sharing more completely in the defence of Britain and securing our own country more effectively against internal subversion and external attack.

He did not read the next sentence, but I shall read it:

> They have also had in view the long range task of insuring the ultimate defeat of the enemy.

I fail to see wherein the statement as there presented differs in any particular from the announcement of policy of the government with respect to Canada's participation in the war as it was made at the very outset and has been ever since. Hon. members may recall that on September 3, 1939, His Majesty the King addressed all parts of the British empire over the radio in the afternoon, that being the day on which Great Britain went into the war; and his majesty made an appeal to all the dominions to make their own the cause of freedom which Britain had taken up. That same day I broadcast on behalf of the government to the people of Canada; indeed, it was a broadcast which went, I believe, to all parts of the British commonwealth; I then announced what I had already stated the policy of the government would be in the event of war—the policy which we would present to this parliament at the time it would be called upon to decide as to Canada's participation. I have here the broadcast which I made on that occasion, and I find in it the following passage:

> This morning the king, speaking to his peoples at home and across the seas, appealed to all to make their own the cause of freedom which Britain had again taken up. Canada has already answered that call. On Friday last the government, speaking on behalf of the Canadian people, announced that in the event of the United Kingdom becoming engaged in war in an effort to resist aggression, they would as soon as parliament meets seek its authority for effective cooperation by Canada at the side of Britain.

That was the statement of policy of this government, made before Britain herself had gone into the war, made known to the people of Canada as the policy this government would follow if Britain went to war to resist aggression—that we would immediately summon parliament and we would ask parliament to stand at the side of Britain in that great struggle.

Now, what is it in this speech which my hon. friend says denotes a change of policy:

> The measures which you have taken have had in view the immediate task of sharing more completely in the defence of Britain and securing our own country more effectively against internal subversion and external attack.

All through the days and months which have passed since war was declared the government has held to that one position, that we were fighting at the side of Britain against aggression; and in doing so we have noted particularly two obligations; one, the primary obligation of defence of our own country; second, co-operation with our forces at the side of Britain in Britain herself.

But my hon. friend, if I gather rightly, says, "You are reversing the order. Your primary duty should not be that of defending your own country, you should be over in Britain at the side of Britain, your primary responsibility is there." Well, may I say to my hon. friend that in the course of the years that I have had responsibility I have attended several imperial conferences in the old land. The first conference I attended was as long ago as 1923; the next conference I attended was in 1926; I attended another imperial conference in 1937; and in each of those conferences a main subject of discussion was the question of defence, of how most effectively the different parts of the British commonwealth of nations could co-operate in the event of the different parts deciding to join together in the face of a common foe. In the discussions which took place on each of those occasions a definite policy was laid down. It was the same on each occasion; the primary duty of each part was its own defence.

I have in my hand the proceedings of the conference of 1926, and I find under the heading "Defence", page 28:

> The conference gave much consideration to the question of defence and to the methods by which the defence arrangements of each part of the empire could be most effectively coordinated.
>
> The conclusions reached by the imperial conference on the subject of defence may be summarized as follows:

The first conclusion refers to the resolutions on defence "adopted at the last session of the conference". These are reaffirmed. What were the resolutions adopted "at the last session"? They were those of the conference of 1923.

The conference of 1926 reaffirmed the policy laid down at the previous conference. In the policy then laid down there appear the following words:

> The conference suggests the following as guiding principles:
>
> (a) Primary responsibility of each portion of the empire represented at the conference for its own local defences.

That has been the policy of every imperial conference, namely, that the first duty of each part of the empire was its own local defence; having secured its own local defences, it would be in a position the more effectively to cooperate with the other parts of the empire in any effort against a common foe. That is the policy we have pursued from the beginning, the policy that we are pursuing to-day, and the policy that we intend to pursue so long as we are responsible for the administration of Canada's war effort.

I noticed my hon. friend contradicted himself a little before he got through. It was not his only contradiction. He referred with some concern to the situation on the Pacific. Really, according to his reasoning I do not see why we should be concerned about the Pacific if our main concern at this time is to be in England. The Pacific is even farther away than the Atlantic. The truth of the matter is that we are deeply concerned with the defence of the coasts of Canada both on the Atlantic and on the Pacific, and have been regarding both with the utmost care and concern during the period that we have had responsibility.

I pass now to what my hon. friend had to say about discussions in parliament. That was the next subject to which he referred. He suggested that there again the government and I in particular were going back on a principle for which we had stood and which we had advocated very strongly in past years, a principle which my hon. friend regards as all important, namely, the supremacy of parliament. I agree with my hon. friend entirely that no principle is more important than that of the supremacy of parliament. But where my hon. friend errs is that he mistakes the supremacy of the opposition for the supremacy of parliament. Analyse his words and you will see that this is what they come to. He complains that we have been legislating by order in council during the period of the war. Where did we get the authority to legislate by order in council with respect to war measures but from this Canadian parliament? If we do not exercise that power in the light of our responsibility as viewed by hon. members of this parliament, the power that gave us that authority can take it away and will take it away. And that power is the supremacy of parliament. But each time my hon. friend speaks he seems to feel that he is parliament—he and the group that sit about him—and that because he and his followers are outnumbered by others in this house, therefore parliament is not supreme. I look upon the parliament that has been sent here fresh from the people of Canada as the parliament the people desire to carry on the business of the country. The people have designated in the representatives here assembled those whom they consider best able to give expression to their will at the present time. The gentlemen who have received that responsibility and trust are all assembled within the walls of this building and they are supreme; and their supremacy is at all times the supremacy of the majority in this house. This government will at all times bow to the will of that majority. So long as we have that majority behind us we intend to act in the light of the responsibility which is ours, a responsibility we owe to the majority, and through the majority to the people. The moment our actions cease to command the confidence of the majority in this House of Commons, that moment we shall be the first to submit our resignations and to let others take our place.

May I pass now to the next subject discussed by the leader of the opposition. It had reference to the conduct of public business here. My hon. friend rather dramatically rededicated the Conservative party to the public service. I must say that, after the name which the party gave itself in the last election, and under which it ran, it needed rededication. My hon. friend did himself and the party and his friends a good turn when he laid emphasis anew on the word "Conservative". It is a much more congenial designation than "Union government", the name under which most of those directly opposite me were returned to the House of Commons.

My hon. friend made a statement of the policy of his party as it would be at this session. I wish to thank him for that statement. It is one which I think does both him and the party credit, and if he can only hold to it I do not think there will be much difference between us during the session. In that statement my hon. friend undertook to cooperate with the government in its war effort, to be constructive in his criticism of that effort, to reserve to himself the right to discuss any of the matters pertaining to the business of the country as they might be considered in time of peace, and generally speaking to further as far as possible the interests of all at this very critical time. That was a good statement and I hope my hon. friend and those associated with him will be able to live up to it throughout the session.

My hon. friend says he does not intend to be a rubber stamp. I would not wish him to be, but may I say that that is the role that most minorities play in national governments, and I hope we shall not find on any side a desire for a step that will lead to rubber stamping at this particular time.

The leader of the opposition dwelt at some length upon what he said was a mistaken attitude in the government's war effort, namely, putting Canada first. I touched upon that just before the recess. He seemed to think that we ought to put Britain first. May I remind him that it was not this party, it was not the members on this side of the house that created a "Canada first" policy and tried to educate the Canadian people in their attitude towards interimperial relations on a "Canada first" point of view. At the time the "Canada first" cry was raised I protested against it as strongly as I could. I felt that the day would come when those who were responsible for it would wish very much that they had not made it quite so prominent in the ears of the young people who were then growing up in this country. It always represented to my mind a grossly selfish and unfair attitude in interimperial relations, and I am glad that my hon. friend has to-day repudiated a cry under which at one time he came back into this House of Commons as a member.

The leader of the opposition went on to speak at some length of Canada's war effort. He asked many questions of the ministry in regard to matters pertaining to the different departments. I shall leave to my colleagues, the ministers of the different departments of defence, the Minister of Munitions and Supply, the Minister of War Services and the Minister of Finance, replies which I think they are better qualified to make than I am, and which would come more appropriately from them. But I do wish to answer at once the statement made by my hon. friend that, because of a single article which he quoted from a New York paper, the opinion which is held of Canada's war effort is that on the whole it has been inadequate. My hon. friend quoted from a statement made by Mr. Hanson W. Baldwin, the military critic of the New York *Times*. Almost any article, written by whoever it may be, is capable of the kind of interpretation which the reader may wish to put upon it. Particularly in an article which is to a large extent descriptive, which covers a lot of ground, which tries to view a situation, not in the light of the moment only, but in the light of passing events, and in the light of the future as well, can anyone place upon its paragraphs the interpretation which he pleases.

My hon. friend has chosen a few paragraphs from this particular article and apart from the text as a whole has cited them as the reason for changing his mind about the necessity of having parliament meet earlier than it otherwise might have met. He had not realized, until he read the words of a military critic, that we could be as far behind in our war effort as we are, and he cited the statement of Mr. Baldwin that he found what were termed "bottle-necks" with respect to the development of some of our industries, that he found shortages here and insufficiencies there. May I say to my hon. friend and to hon. members that bottle-necks, shortages and such things are inevitable among the preparations for war. No country has escaped them, not a single country, as my hon. friend well knows. The fact that there should be here and there limitations in our war effort is inevitable. The change from a peace-time economy to one of war is a tremendous change, it takes time. If my hon. friend wants to get illustrations of how difficult it has been for nations to make that transition he does not need to begin criticizing his own country's effort, but could find instances of it in every country that is engaged in this war or fears its possibilities.

My hon. friend did not stress what, after all, was the real opinion of Mr. Baldwin, as those like myself who talked with him well know, namely, one of tremendous admiration for the war effort of this country and appreciation of the speed with which it had been carried on. Let me read just two paragraphs which my hon. friend did not quote but which I think will be sufficient to answer those he did quote. I read from the report of Mr. Baldwin's statement that appeared in the Montreal *Gazette* of October 2, 1940. It is a full reproduction of the article in the *Times*:

> Nevertheless an inspection of air force, army and centres from Hamilton, Ontario, to Halifax, Nova Scotia, showed that Canada's defence establishments have been tremendously expanded in a year of war, that her programmes to aid Great Britain and to defend herself have been considerably modified, expanded and speeded since the German blitzkrieg of May and June; and that to-day the great majority of Canada's 11,315,000 people are wholeheartedly behind the dominion's war effort. That effort is now passing its preliminary planning and plant expansion stage, and with increasing speed will commence to prove a factor in the war.

And the concluding two paragraphs, summing up the essence of the whole article:

> The Canadian war effort—definitely aligned with and therefore influenced and limited by the British war effort at the start of the war—is still complicated by the necessity of reconciling the needs of North American defence with the necessity of waging a war abroad. The programme, still far from its peak, was slow in starting through no fault of Canada. It is now commencing to mesh into gear, though it will still be eight to twelve months before the Canadian effort becomes a major factor in the war.

What could we ask more than that? I would be prepared to go before the Canadian people at any time and ask, everything considered, if that is not a record of which they

are proud. That this country should be found by a great military critic such as Mr. Baldwin is, to be a country that, as a result of its careful planning in cooperation with the British military authorities, is destined to become a major factor in the war, is as high a compliment as could be paid to any nation at a time like this. That, in a war such as that in which we are engaged, Canada may within a year become a major factor in this war, is a very high tribute indeed. We stated, at the outset, that we were planning for a long war, a war of three, possibly four years, as we were advised by the military authorities of the United Kingdom to do. If we had simply wished to win the first battle regardless of all else we might have directed all our energies to that end. It is what from some well known sources we were told we ought to do, hurry up, get multitudes of men to the other side, no matter how, get them over. You might win a first battle by such a method, but in the end you would most certainly lose the war. On the other hand by careful planning, by avoiding mistakes at the outset, by taking a long-range view instead of a short-sighted one, I believe this country is recognized to-day, in the eyes of the world, as a great force rapidly coming forward to do what the British government itself said we would do, if we put long-range plans into force, namely, make what may well be the decisive stroke for victory in the later stages of the war.

My hon. friend suggested that something should be said about Japan, something about Vichy, something about the situation in Ireland, and something about our relations with the United States. I intend to-night to touch on the latter subject at considerable length. With regard to Japan, Vichy and Ireland I think perhaps it would be just as well if I say no more this evening than what I intend to say to the house a little later on. I want to repeat what I said in speaking of the addresses that were made here on Friday last; I do not think that we can be too careful in this House of Commons about what any of us say with regard to other countries and their position at this time in the matter of war. We cannot be too careful with regard to what we say about Japan. It may sound very brave on our part here to be critical of Japan, to talk about the situation as my hon. friend did this afternoon, saying that he understood there was considerable trouble with the Japanese in British Columbia. That is not helping to win the war.

Mr. HANSON (York-Sunbury): I did not say trouble; I said it had been reported to me that there was truculence on the part of Japanese nationals out there and the government should look after them.

Mr. MACKENZIE KING: Truculence on the part of Japanese nationals, yes. Does my hon. friend think those words are going to help in maintaining Canadian unity, to help in the very critical situation existing at this moment not between Japan and Canada, but between Japan and Britain, and between Japan and some other parts of this world? The situation in British Columbia has been receiving the most careful attention of the administration. If there is an attitude on the part of any Japanese that has to be looked after there is need equally, I may say, for great caution on the part of some people in that province not to be over-zealous in their attacks on the Japanese at the present time. With all the seriousness of which I am capable I say that words spoken lightly here, however well intentioned they may be, may be read and interpreted in other countries in ways entirely different from those in which they may be read and understood here. In Canada we know when a statement is being made for a political purpose. We know, too, who the individual is who makes the statement, and whether he is given to saying things just as they come into his mind, or whether they are said after careful thought and reflection. We know, too, whether they are being said by a critical opposition, or on the responsibility of a government. But, in Japan, the morning press with its headlines does not interpret words spoken in the parliament of Canada in that way. And the same is true with regard to the situation existing in France at the present time. And the same is true with regard to critical conditions which may exist between Great Britain and Ireland. I want to tell the house very frankly that this government will take any and every step it can take to help heal any breach and to prevent any wound becoming worse than it is, but we will do nothing we have reason to believe will make a bad situation in any country or between any two countries worse than it is at the present time.

Now I come to the report of the Rowell-Sirois commission. I want to thank my hon. friend for his expression of agreement with the view of the administration that it is desirable to have a conference between the provinces and the dominion to consider recommendations contained in the report. I do not know that I could go the length he has gone in suggesting that this ought not only to be a conference between governments, but should be a conference at which not only the governments in office would be represented but at which oppositions, chambers of commerce, boards of trade and the like, if I understood him aright, would meet as well in a great round-table discussion. I am afraid

nothing would sooner end useful discussion than a huge gathering of the kind dealing with a report, particularly one of the magnitude of that presented by the Rowell-Sirois commission. No; the place to begin the consideration of that report is at a conference between the representatives of the properly constituted authorities of this country; that is, the provincial and dominion governments. If we can succeed in reaching a measure of agreement between the dominion and provincial governments in the first instance, I have not much doubt about the success that ultimately will result in regard to the changes that will have to be made later on in our constitution. But, if we cannot get that agreement at the outset, then I submit it would be folly to enlarge the number and classes of representatives to be called together to consider the report.

My hon. friend asks, "Why wait so long?" Well, if we had proceeded any sooner the criticism would have been, "Why did you go ahead so fast? You have not given us time to read the report. You have not given the provinces time to read it. Why have you brought on this conference so quickly?" I have only to mention the dates on which certain events took place to let the house see that we have brought on the conference just as quickly as it reasonably could have been expected to be brought on. In the first place the report itself was not tabled in this House of Commons until the month of May. We were then engaged in a war session. I doubt if there was a member of the ministry, or half a dozen members of the house, who had the opportunity, during that session of the house, to read the report carefully. It was August 7 before parliament adjourned. Three months have since gone by, but for a considerable time after parliament adjourned the ministry was busier than ever seeking to get along with the war effort in particulars to which it was not possible for ministers to give their attention while the house was in session. More than that, the provincial governments at that time would not have had an opportunity to peruse the report. Any reasonable person will see that in choosing the date we have chosen, in waiting until parliament met to see if we could reasonably count upon an adjournment in January, and in asking members of the provincial governments to attend at that time, we have taken the earliest possible opportunity of calling a conference to deal with so important a matter. And I am very happy to say that, by proceeding in this manner, we have been able to get the assent of the governments of all the provinces to be represented at a conference in the month of January: That of itself, I think, is a real achievement. While undoubtedly there will be different points of view presented, and while the provinces may differ with each other in some matters of detail of greater or less importance, I have no doubt that, after discussion, and particularly in the light of the situation with which this country and the world is faced at this time, those who attend the conference will come with a sense of responsibility, and that they will seek to do all they possibly can to keep unanimous the feeling that exists at the present time in regard to all matters pertaining to the well-being of our country. It is too early to speak of what may come out of the conference, but, at any rate, I think we are taking the right step at the right time and in the right way.

My hon. friend suggested that we should have special committees of the house to discuss matters having to do with the war effort. He says it is impossible to get the information desired in a formal debate in this house. Hon. members will, I believe, be surprised at the information they will receive in the course of this debate. The government will make every effort to see that the fullest possible information is given the house; and while I agree with my hon. friend that all details cannot be brought out during formal discussion, there is no reason why this house should not resolve itself later into committee of the whole and consider matters in detail as a body. However, my hon. friend has suggested that he and some of his colleagues should meet with myself and members of the ministry to discuss what may be best. I thank him for that suggestion and wish to say that I will take pleasure in seeing that a conference between us is arranged for at an early date. That, I think, is the right way to proceed in any effort to discover what course it may be best to pursue.

I come now to the last part of my hon. friend's speech, at the close of which he moved an amendment in which something was said to the effect that the government had been soothing the Canadian people with regard to the security of the nation. Just where my hon. friend got that idea I cannot understand. If there is one single thing above another that this administration has sought to do, it has been to have the people of Canada realize not only the magnitude of our war effort but also the tremendous seriousness of the whole situation as it exists in the world to-day. Far from trying to sootne the people in any way or to lull them, which was another expression used by my hon. friend, in regard to the nation's security, we have

gone to the utmost pains to have the situation as it really exists in the world fully understood. I will not take time to-night to quote passages from various speeches to illustrate the truth of what I am saying, but I would remind my hon. friend that in the last campaign the criticism levelled against me, as leader of my party and of the government, was that I was trying to frighten the people of Canada with the war situation, that I was making the situation out infinitely worse than it then was. That was the criticism, as I think my hon. friend will recall. I have in my hand a sample of the sort of thing I said to the people at that time. It was said over the radio, so that it was heard far and wide. It does not strike me as in any way calculated to lull the country into a sense of false security. It is from a radio address delivered on February 23, of this year:

> Who will say what nation is safe from attack as the fateful months roll on? It may even be that before the forces of evil are vanquished the whole world will be engulfed in the angry sea of battle.
>
> Let us not imagine that our land will inevitably escape the wrath that darkens land and sea, or that our shores will necessarily be spared as the conflict grows and spreads. He would be a foolish man who refused to face the possibilities and realities of a shattered world.
>
> We face a future unknown and unpredictable. We cannot tell what calamities may strike us before the present year is ended or what perils may be upon us in 1941 or 1942. Failure to view the situation as a whole, and to take account of all conceivable possibilities, might be fraught with the gravest dangers. There must be no surrender to the insistent clamour of those who refuse to look beyond the problems of the moment.

There is no lulling the country into a sense of security in words like that. And yet those are the kind of words I used during the last campaign, which returned the present House of Commons; and I have been using words similar to those ever since. May I say that I purpose answering that part of my hon. friend's amendment to-night. What he has said with reference to agriculture will be discussed by others. But I have felt increasingly the awful seriousness of the world situation as it has become—every day, every week and every month as the war has gone by. I have sometimes felt that, forced as we are to deal with questions arising from day to day, we lose a certain perspective of the trend of events. Particularly do I feel that, when picking up the morning paper and reading the headlines, listening to radio accounts from the old country and from different parts of our own, as they come in from hour to hour—accounts given in part to help to strengthen the morale of the nation—we are apt to get the impression that all is going well, that we have only to wait for the moment of victory, and that, all we have to do now is to continue to talk of victory in the various speeches we make, and victory is certain to come.

I believe the British forces are going to triumph. I believe democracy will win. I feel certain that right will triumph, but I believe it is going to be a longer road, a harder road and a more terrible road than any of us even at this time begin to believe. That is what I wish to speak about to-night to this House of Commons. We have been brought here primarily to discuss the war, and particularly to discuss Canada's war effort. We are here to get a picture of the situation as it is to-day. As the people's representatives we must face the situation in its stark reality. We are here to do the best we possibly can to meet the situation, to the utmost of the nation's strength.

To present the picture as I see it, I have taken considerable pains to bring together in a form which I hope will enable hon. members to carry away in their minds the developments which have taken place in the last three months, that is to say, in the period of time between that at which parliament adjourned on August 7 last and its reassembling at the present session. I have tried to place these events in their proper setting, to disclose them in the light of events which preceded them, so that all may see the trend, and appreciate what really is in the minds of the dictators. I intend then to set out what we, as a government, have sought to do in our war effort, touching only the main points. I shall leave to my colleagues statements in detail. In dealing with our relations with the United States, I shall seek to place before hon. members what I believe has been a real contribution on the part of Canada, not only as respects our own effort toward the winning of the war, but more particularly in reference to the combined effort of the democracies in the common cause in which they are now more closely united. I shall seek in a few words to say what I feel about our war aims—or peace aims, whichever term may be considered preferable. I shall begin by outlining the international scene as it developed in the last few months.

When parliament adjourned, at the end of the first week of August, the enemy had already established his bases along the channel coast. With France and the low countries in his power, he had begun a carefully prepared and formidable attack by air on the United Kingdom. In the months that have followed, the attack has been pressed persistently, ruthlessly and relentlessly. It has been supplemented by long range artillery

trained on the strait and on the streets of Dover. It has been extended to the sea, where, since August 17, the waters around the British isles, as in the unrestricted submarine warfare of 1917, have been declared by the Germans a zone of military operations.

The assault on Britain has not stopped at military objectives. It has been extended to open cities. It has indeed been deliberately aimed at the civil population, in the hope that incessant and merciless bombing will break down morale, and lead to the evacuation, in panic, of cities and towns, and to the disorganization of British industry.

Nevertheless the apprehension felt in those August days, when the savage onslaught was unloosed, and Britain stood, virtually alone in Europe, to face the German hordes, and the unknown destructiveness of unlimited air war, has been dissipated for the time being at least. It has been dissipated by the magnificent skill and courage of British airmen, and by the determination of the whole population to let no attack, however ferocious or long sustained, deter them from their purpose. Not only is their purpose that of defending Britain; it has been from the outset and will continue to be that of freeing their fallen allies, and, ultimately, of removing the menace of nazi domination from Europe and the world.

The battle for the mastery of the air over Britain still goes on. Long, grim months of siege, with constant threat of death from the skies, still lie ahead. Nevertheless the numerical superiority which the nazis enjoyed throughout the summer and early autumn, and which, indeed, they still enjoy, is gradually but surely being whittled down. Greater losses by the enemy of pilots and planes, combined with a smaller relative production are beginning to tell their tale.

The British army has been reorganized, reequipped, and strengthened by fresh divisions and reinforcements from the dominions overseas. The Royal Navy has been strengthened by flotillas of destroyers from this side of the Atlantic. The whole country bristles with defences. After months of waiting, the German army of invasion remains impotent to cross the narrow seas that separate it from Britain's shores. In spite of all her suffering and losses Britain is stronger, and stronger by far, than when we separated in midsummer.

Members of the government of the United Kingdom have referred repeatedly in the most appreciative terms to Canada's contribution to the strengthening of the British defences. On September 17, Lord Caldecote, speaking in the House of Lords, referred to what he termed:

> . . . the invaluable cooperation and assistance which we are receiving from the dominions in the common trouble.

He said:

> It is well known that the defences of this country include very substantial land forces from Canada, Australia and New Zealand. These forces are at present available to repel invasion, should invasion come. There are also with us units of the Royal Canadian Navy and a naval contingent from New Zealand. In the air it is common knowledge that a Canadian fighter squadron has helped us immediately to increase the enemy's losses, and we have had invaluable assistance from a unit of the Royal Australian Air Force. More recently we have welcomed an air contingent from southern Rhodesia. In our own Royal Air Force, there are many pilots from all the dominions and indeed from all parts of the empire. Newfoundland also has made a most substantial and indeed a remarkable contribution to the forces defending the British isles by sea and by land.

As recently as October 30, the present Secretary of State for the Dominions, Lord Cranborne, told an audience that thousands of Canadian troops were waiting in Britain with eager impatience for a chance to deal faithfully with Hitler's forces of invasion. He referred also to the Canadian destroyers which were in close cooperation with the Royal Navy. The following day the British Under-Secretary for War, Lord Croft, who fought beside our Canadian troops in the last war, visited the units of the Canadian active service force at present in the United Kingdom, and told them that the British army council was extremely proud of having fine Canadian formations cooperating with the great army being built up in Britain. Lord Croft also praised our Canadian airmen and added these significant words:

> When the river of supplies of pilots from the great imperial camps in Canada turns to flood, air ascendancy will be won.

Everyone senses the improvement in Britain's position. The enemy's hope of a quick victory has been shattered on the rock of British resistance. He is now turning his attention in considerable measure to other regions, and to the maintenance of his supply of foodstuffs, of oil, and of other materials necessitated by a war of attrition. His great aim now is to break the stranglehold of the British blockade. At the same time, he is seeking to blockade the United Kingdom. Already destruction at sea by the U-boat has become a peril to Britain greater even than that of bombardment from the air.

Coincident with Germany's concentration on the battle of Britain and the consolidation of her gains in the west, events of far-reaching importance have been happening in eastern Europe. The Baltic states of Latvia, Estonia and Lithuania have been taken over by the

soviets and with them a rich portion of Roumania, the provinces of Bessarabia and northern Bukovina. Sensing a shift in the wind, Roumania adopted the trappings of fascism and renounced the British guarantee. Her conversion, however, came too late. At the end of August, following a conference at Vienna, she was brusquely forced to cede half of Transylvania to Hungary and, some weeks later, southern Dobruja to Bulgaria. These renunciations of territories did not save her. Working characteristically, through disaffected elements in the population, the nazis succeeded in bringing Roumania entirely within their orbit. They secured complete control over her wheat, corn and soya bean fields and, most important of all, her oil wells and refineries. These without doubt they will exploit to the full. German garrisons are already installed in the more important towns. A German military mission is reported to be organizing the Roumanian army on the German model. In Hungary, Jugoslavia and Bulgaria, nazi policy is developing the closest possible economic collaboration. Already, however, these countries are finding that such collaboration involves political control as well.

At the other end of Europe the enemy is following a similar policy. Spain, like Italy at the beginning, has declared for non-belligerency, instead of neutrality. For the present, however, so far as Spain is concerned, the enemy seems to have been obliged to content himself with economic rather than military collaboration.

The position of France is more difficult and more tragic. I shall speak later of it and of our relations with our once powerful ally. All I wish to point out at the moment, or rather to emphasize, is that the prestige of the smashing German victory in the west has placed almost all of Europe west of the Vistula under German control. All the ports and air fields from Norway to Spain are in nazi hands. The resources, human and material, of these countries will be organized with German method and thoroughness in German interests alone. A formidable war potential has been placed in the hands of a ruthless enemy. It is all important that everyone should realize how vastly, as compared with the last war and the early days of the present conflict, this new augmentation of nazi military power increases the difficulties which we of the British commonwealth have to face.

To indicate what I have in mind I shall speak of only one or two important commodities. Steel production is the standard index of industrial capacity. The annual production of steel in Germany was estimated at the beginning of hostilities at 22 million tons. With the countries she has conquered or controls, and making considerable allowance for war damage in France and Belgium, German capacity for steel production now amounts annually to 42 million tons. This is to be compared with a capacity of about 18 million tons in Great Britain and other parts of the British empire. Supplies of iron ore, so difficult for Germany to secure in the early days of the war by the precarious route through Narvik from the Swedish mines, have now become plentiful through easy access to the neighbouring mines of Luxemburg and Lorraine. Hitherto short of aluminium, so vital for the manufacture of aeroplanes, the German factories now have access to the French bauxite mines, among the richest in the world, while our own supply is correspondingly diminished. We must face the fact that control of these resources represents a powerful addition to the effective strength arrayed against us. We must also face the fact that Germany has now the great munition plants of Skoda and Creusot, as well as Krupp at her disposal. Let us not underestimate the enemy. It is in the light of facts such as these I have mentioned that we see the significance of aid from the United States with its capacity for steel production of 50,000,000 tons a year.

There are, of course, weaknesses in the imposing nazi facade. Pillage, however systematic and well organized, cannot go on indefinitely. Subject populations, if they are to give even passive acquiescence to the designs of the conqueror, must be left with sufficient supplies on which to exist and to work. There are a good many essential commodities such as copper, manganese, nickel and cryolite, which even the whole of Europe cannot supply in adequate quantities. Moreover, the scope of the enemy's conquests has given, as I have already indicated, a new urgency to a problem that was already vital, namely, the problem of oil. Roumanian wells, even if the Germans are permitted to exploit them undisturbed, can, it is estimated, hardly produce more than five, or at the most, six million tons a year. All the rest of Europe outside of Russia can produce but another five million tons, and Russian supplies and ability to transport them are problematical. Europe's requirements for essential industries and transportation, however, are twice the amount of her total production. With supplies cut off by the blockade, it is not difficult to understand the new interest of the enemy in Iraq and Iran, or the drive for control of the Mediterranean basin.

In this region the defection of France and her African colonies created an unexpected and exceedingly embarrassing naval and military position. Any withdrawal of British forces from the Mediterranean was obviously impossible, first, because of British commitments to Greece and Turkey; second, because of the importance of holding the Suez canal; and, finally, because the enemy's route to the pipe line at Haifa and the supposedly inexhaustible oil supplies of the middle east lies across the eastern Mediterranean.

These circumstances explain why Italy, a few weeks ago, suddenly discovered that Greece had made provocative attacks on Albania, the territory Mussolini treacherously attacked on a Good Friday eighteen months ago. The Italian attack upon Greece and the decision of the Greeks to resist have made a further demand upon Britain. Despite the threat of one powerful army across the English channel, and another powerful army in the Egyptian desert, Britain is responding as best she can to this new demand. There has already been established on the island of Crete a naval and air base which will extend the radius of the activities of the British navy and air force in the eastern Mediterranean.

The British position in Africa and the middle east was calculated on the basis of the existence of French armies in Syria, Tunis, Algeria and Morocco, on the cooperation of the French navy, and on the joint use of French naval and air bases. The collapse of French resistance destroyed these calculations and presented the British with what appeared an almost hopeless problem. The Italian army in Libya greatly outnumbered the British forces in Egypt, and there seemed a real danger that it would march across the desert to the Nile, and even to Suez. All through the months of threatened invasion of Britain, the policy of reinforcing the British army in Egypt has gone forward. To-day the balance of forces is much less favourable to Italy than it was in August. At the same time it should not be forgotten that in the area the Italians still have numerical superiority. Their attack upon Greece may be designed in part to draw off British troops from Egypt to assist the Greeks and thus to improve the Italian position in the western desert of Egypt.

The battle of Britain, the nazi pressure on the Balkans, the apparent stalemate in Africa, the Italian attack upon Greece have not been the only events on the international scene since parliament adjourned. The axis powers have also sought by diplomacy, propaganda and intrigue to isolate Britain, and to begin a process of piecemeal destruction of her power and possessions. The pact signed by Germany, Italy and Japan at Berlin on September 27 cannot be viewed as other than an instrument to that end. It contains articles providing for recognition of the respective conquests and spheres of influence of these powers—an open avowal of their existing attitudes towards one another. Article 3, however, goes much farther. It provides that the three axis powers will:

> . . . assist one another with all political, economic, and military means, if one of the high contracting parties should be attacked by a power not at present involved in the European war or in the Sino-Japanese conflict.

A subsequent article provides that this commitment does not affect the relations which exist between the three contracting parties and soviet Russia. Significantly, no mention is made of the United States. The whole agreement, and the publicity given to it, however, are obviously aimed at intimidating the United States. No matter how clear it may be that freedom and the democratic way of life everywhere are bound up with the fate of Britain, the United States are to be prevented from moving any closer to Britain's side.

The role of Japan in the new alliance is particularly significant. Germany and Italy have formally recognized Japanese leadership in creating a "new order" in east Asia. Within the sphere of this new order lie French Indo-China and the Netherlands East Indies. The mother countries of those two rich colonies are occupied to-day by German troops. French Indo-China, by the agreement of Hanoi of September 27, opened its gates to Japanese troops in circumstances that strongly suggest German pressure. We may expect further demands on French Indo-China.

The Chinese army, although split up into small and widely scattered groups, is still actively resisting. The 710 miles of highway known as the Burma road was, as is known, closed to the transport to China of gasoline, trucks and munitions. This was intended as an approach to Japan, which it was hoped might facilitate a possible termination of hostilities in the far east. The closing of the Burma road having failed to accomplish its purpose, it was reopened on October 18. The embargo on the export of gasoline and petroleum products, and on iron and steel scrap, established by the government of the United States at the beginning of August, is in force. No scrap iron or steel has been exported from Canada since October, 1939. There has not been any export, except to the United Kingdom, the allied countries and the United States, of nickel or zinc since February, of aluminium since April, and of cobalt since August last. On October 8 the same limitations were placed upon exports of copper. Shipments of

other metals and minerals from Canada to destinations outside the British empire and the western hemisphere have been kept within the limits of our normal peace-time trade with the other countries concerned.

The formation of the triple axis has, without doubt, contributed to international tension, particularly in the far east. It has not, however, served either to intimidate the United States, or to isolate Britain. Indeed, its effect has been the exact opposite. There has been a marked stiffening of policies both of the United States and of Britain in the far east, and an intensification of sentiment in the United States in support of aid for Britain.

I have endeavoured to review the developments on the international scene since the adjournment of the house in midsummer. I wish now to say something of their significance—of what they reveal of the designs of the enemy. The events of the past few months make it clearer than ever that the immediate aim of Germany is a new world order, based upon spheres of influence to be controlled by nazi Germany and her axis partners. Hitler plans, by holding out specious hopes of collaboration, to secure the participation of the subject peoples in the elaboration of his grand design. This is the subtle method by which he is supplementing aggression in his effort to achieve world domination.

Nazi intrigue and the deceptive cloak of collaboration fail, however, to conceal the underlying tyranny of force and fear on which the structure of the new order is to rest. It becomes more apparent, with each new development, that we are engaged in a titanic and terrible death struggle between two conflicting philosophies of life. On the one side is tyranny; on the other, democracy. On the one side, brutality and slavery; on the other, humanity and freedom. On the one side, the law of force; on the other, the force of law.

I should like to recall to the house the words I used in this place, on September 8, 1939, at the outset of this struggle which many still regarded as no more than another European war. These were my words:

> No, Mr. Speaker, the ambition of this dictator is not Poland. At one time he said it was only the areas in which there were German-speaking people. But we have seen that ambition grow. That may have been the thought in his mind some years ago, but we all know how ambition feeds upon itself; we all know how the lust for power blinds men's senses to all else. We know where and how he started, first with the militarization of the Rhineland. He then said—I quote Hitler's own words—he had no thought of annexing Austria. After giving his word that there would be no further attempt at conquest, he took Czechoslovakia. Then he took Moravia and Bohemia, then Memel, now Danzig and Poland. Where is he creeping to? Into those communities of the north, some of which to-day say they are going to remain neutral. I tell them if they remain neutral in this struggle, and Britain and France go down, there is not one of them that will bear for long the name that it bears at the present time; not one of them. And if this conquerer by his methods of force, violence and terror, and other ruthless iniquities is able to crush the peoples of Europe, what is going to become of the doctrine of isolation of this North American continent? If Britain goes down, if France goes down, the whole business of isolation will prove to have been a mere myth. There will in time be no freedom on this continent; there will in time be no liberty. Life will not be worth living. It is for all of us on this continent to do our part to save its privileged position by helping others.

That does not sound, Mr. Speaker, very much like trying to lull and soothe the Canadian people into a sense of security. And that statement was made in this house on the 8th of September last year.

At the close of the last war, there was an attempt to build up a genuine world order based on international law and international justice. The democratic nations tried, with many failures, with many weaknesses, and, perhaps at times, with too little conviction, to maintain the relations between nations on a basis of respect for the pledged word and the solemn covenant. They may, on occasion, have failed to grasp opportunities for reconciliation, but there can be no doubt of their genuine desire for the preservation of peace.

Unhappily, love of peace and respect for justice were not shared by all nations, or, at least, not by all governments. From the Japanese attack on Manchuria in 1931 to the nazi attack on Poland in 1939, the world witnessed a steady progression of successful acts of aggression. Each of the aggressor nations has, in turn, through withdrawal from the League of Nations, expressed open contempt for the condemnation of world opinion, for the principles of international law and for the rights of other nations.

From the moment that Hitler achieved power in Germany, the tempo of aggression increased. Germany herself began to rearm. In 1934, through the murder of Dollfus, she began to undermine the independence of Austria. In 1935, Italy attacked Ethiopia. Germany took advantage of the Ethiopian crisis to remilitarize the Rhineland. In 1936, the civil war broke out in Spain. Immediately the totalitarian powers began their sinister intervention in that struggle. In 1937 the present conflict between Japan and China began at the moment when the Spanish civil

war threatened to embroil the whole of Europe. On March 15, 1938, the nazis marched into Austria. In September of that year Europe was almost plunged into war by the Sudeten crisis, which ended at Munich. In March, 1939, Germany seized the rest of Czechoslovakia and, a few days later, she took Memel. On Good Friday, 1939, the Italians occupied and annexed Albania. Finally, on September 1, 1939, Germany attacked Poland.

While at first these acts of aggression were unrelated and unconnected, they began gradually to assume a pattern and to be based on a time-table, which point to a conspiracy for world domination. The conspiracy was half avowed by the formation of the so-called anti-comintern pact, ostensibly directed against the menace of communism; but, as we can now see, it was in reality a conspiracy for the destruction of freedom in the world. Individual bandits, acting alone, became gangsters acting in concert.

The formation of the Rome-Berlin axis was an open threat to the peace of the world. But, so long as Hitler had reason to believe that Russia and the western democracies might be combined against him, he was not ready to risk actual war. His great moment came with the conclusion of the nazi-soviet non-aggression pact in August of 1939. The preliminary phase had ended. The unfolding of the nazi world order was about to begin.

The first act in the new development was the conquest of Poland, and the destruction, with unexampled ferocity, of the Polish state. In the conquest of Poland the nazis for the first time used actual force rather than the threat of force to attain their ends. The brutality of their conduct in the subjugation of the Poles was designed not merely to crush that unhappy land but to strike terror into the hearts of all the peoples of Europe, and to paralyze their will to resist nazi domination.

In the destruction of Poland, soviet Russia participated. In the weeks that followed the conquest of Poland, the soviet government successfully extended its domination by threat of force to the smaller Baltic nations: Lithuania, Latvia and Esthonia. With Finland, the same tactics were not successful. It was just a year ago that the Russians invaded Finland and, after a bitter winter campaign, broke the resistance of that heroic people and partitioned their country.

The next blow was struck, suddenly and swiftly, by the nazis on April 9, when they occupied Denmark, almost without firing a shot, and simultaneously attacked and occupied all the principal cities of Norway. Just a month later, on May 10, came the great onslaught in the west. In a few days Luxemburg, Holland and Belgium had been overrun. Barely five weeks had passed when French resistance collapsed, and the French government was seeking an armistice.

With the collapse of France, practically the whole of Europe, west of Russia, lay prostrate at the feet of Hitler and his Italian ally, who, on the eve of the fall of France, had joined him in the war. The military machine of the nazis seemed, in June, well nigh invincible. Britain stood alone in the path of the onward march of the conquerors. There she stands still; the one obstacle left in the way of the establishment, in the old world, of the new nazi order.

What Hitler has failed to accomplish by fear or force—the destruction of Britain—he has now set about attempting to effect by intrigue and guile. A new world order, based upon spheres of influence to be controlled by nazi Germany and her axis partners, is now the immediate aim. This is the subtle method by which, as the ultimate end of aggression, Germany hopes to attain world domination. Through the alliance between Japan and the axis in Europe the new order in Asia has been linked to the new order in Europe. The pattern is now plain. The world, as I have said, is to be divided into spheres of influence. Germany and her greater vassals are to dominate a world of lesser vassals. The new order in Asia and the islands of the Pacific is domination by Japan. The new order in Europe is domination by Germany. The new order in the Mediterranean and in Africa is joint domination by Germany and Italy. The areas to be dominated by the soviets would appear, at the moment, to be a subject for further negotiation. By promises of collaboration, Hitler and Mussolini are seeking to beguile France and Spain.

The subject peoples will be the menials of the new lords of creation. Their economies will be economies that satisfy the greed of their masters; their farmers will be peasants, and their workers, slaves. The new nazi order is not in fact a new order at all. It is a return to despotism and the age-old tyranny against which mankind has ever struggled in its upward march.

I turn now from the international scene to a review of the salient features in our national war effort in the period since parliament adjourned on August 7 last. The house will not expect me to give the picture in detail. That task will be undertaken, as the debate proceeds, by the ministers in charge of the several departments. The wish of the government is to inform parliament and the country just as completely as military exigencies will permit.

In my review I shall deal first with armed in council, P.C. 2685, setting out the proper training, then with munitions and supply, labour and our war finances, in that order.

First the army. In the review he gave on July 29 last, the Minister of National Defence (Mr. Ralston) told the house that the total strength of the Canadian active service force on July 21 was 133,573 officers and men. This figure had risen by November 6 to 167,417, which represents an increase of 33,844.

At that time, the strength outside Canada was 31,607. This has now risen to 52,093. The strength of the Canadian active service force in Canada on November 6 was 115,324.

The first division is an integral part of the army corps which, under the command of Lieutenant-General McNaughton, has taken its place in the defence of Britain. The second division is completing its training in preparation for incorporation in this corps which will then become a Canadian unit.

Canadian troops continue to share in the garrisoning of Iceland and of the British insular possessions in this hemisphere.

In Canada, apart from troops on garrison and other special duties across the country, and units still in training, the Canadian active service force has been grouped under two coastal commands, one for the Atlantic and one for the Pacific. The troops in Newfoundland are under the Atlantic command.

An armoured brigade of four Canadian active service force tank regiments was recently formed. Two hundred tanks have been secured in the United States for use in training this mechanized force.

No review of the activities of the army during recent months would be complete without reference to the 65,000 officers and men of the non-permanent active militia who, during the summer, gave up their time and frequently their holidays, to training in the militia camps to prepare, if the need should arise, to take their part in defending the country.

I should like, too, to pay a tribute to the officers and men on both our coasts who, throughout the year, are engaged in garrison duty which has so little of seeming glory and so much of loneliness, but which is essential to our national security.

Since the collapse of France, there has been little action for armies in this war. We cannot assume this will continue to be true. What we do know is that action may be precipitated at any moment, and that the nazis will never be finally defeated until armies have played their active part. They must be trained, equipped and ready for that day.

Since the outbreak of war, the development of our small Canadian navy has been little short of phenomenal. Even in the last three months its personnel has risen from about 9,000 at the beginning of August to 13,034 on November 7.

At the beginning of August we had about 130 vessels in commission, excluding destroyers. By the end of October the number had risen to over 140 and as well seventeen corvettes and four minesweepers of our new construction had already been launched. In the same period, thanks to the arrangement concluded with the United States, our destroyer strength has doubled. We now have twelve destroyers in commission.

It is a tribute at once to the efficiency of our naval service and to the eagerness of Canadians to volunteer for the defence of their country that no difficulty has been found in enlisting crews for the new vessels. Indeed, there are far more young Canadians eager to join the navy than the navy with its present establishment can possibly take.

Some of our destroyers are still participating in European waters in the defence of Britain against the threat of invasion. Our navy, too, continues its vigilant patrol of our own coasts and takes its part in the vital task of keeping open the life-lines of Britain across the north Atlantic.

It was a source of particular satisfaction for Canadians to learn of the gallant exploit of the converted merchant cruiser *Prince Robert* in capturing the German merchant vessel *Weser* off the Pacific coast of Mexico.

With regard to the air force and air training, the Minister of National Defence for Air (Mr. Power) told the house last July that on July 24 the Royal Canadian Air Force numbered 1,765 officers and 17,688 men, or 19,453 in all. By November 2 these numbers had risen to 2,343 officers and 28,256 men, or a total of 30,599. This represents an increase of over fifty per cent. In addition, 3,187 men had enlisted for training as air crews at the beginning of August. On November 2 this number had reached 6,884.

The Royal Canadian Air Force continues to perform its threefold task. Its home defence squadrons continue their constant patrols over our coasts and coastal waters. They take their part in the escort of convoys to and from our shores.

Our air force too has shared in the battle of Britain. Since the house adjourned, our Canadian fighter squadron, flying planes produced in Canada, has engaged with memorable success in active combat with the enemy. The main energies of the Royal Canadian Air Force continue to be directed largely to the development of the British commonwealth air training plan.

The gigantic proportions of the air training plan are now beginning to be appreciated by the public. At the beginning of August, twenty-four of the training schools had been opened. By the end of October, thirty-six were in operation. To put it another way, throughout that period an average of one school a week was started.

On September 26 the Minister of National Defence for Air welcomed at Vancouver the first detachment of Australian pupils who had come to Canada for their advanced training.

Until recently, progress reports on the air training plan had been confined to announcements of new construction, of new schools opened, and of increases in personnel. I am happy to be able to report that the plan is already beginning to realize the ultimate purpose for which it is designed. The first group of air observers to be trained under the plan completed their training on October 24. In years to come October 24 may well become a historic date in the history of the struggle for freedom.

The progress which has been made in the air training programme has been warmly commended by the British government. Hon. members will perhaps be interested in one or two of the statements which have been made. In reply to a question about the progress of the plan the British Secretary of State for Air, Sir Archibald Sinclair, told the House of Commons on August 20 last:

> I do not think I ought to give figures, but I will tell the house this, to show that substantial progress is being made. Whereas we were expecting to reach a certain figure of pilot production from Canada in July, or even as late as August, of next year, we shall reach that figure by April. I think that that will convince the house that more rapid progress than we were led to expect is being made with the empire air training scheme. Let me say how grateful the government are for the energy, the enterprise and the drive which the Canadian government and the Canadian air staff, with the assistance of Air Vice-Marshal McKean who represents us there, have thrown into this empire air training scheme.

The parliamentary under-secretary of the air ministry, Captain H. H. Balfour, visited Canada at the beginning of September. In an interview to the press at the conclusion of his visit he used these words:

> I am more than impressed with the progress made here on the empire air training scheme.

Just the other day the present Secretary of State for the Dominions, Lord Cranborne, said in a speech in London that the empire air training scheme when in full operation was designed to produce twenty thousand pilots and thirty thousand air crews yearly, and he added these significant words:

> It is months ahead of schedule.

Hon. members will recall that at the time the British government proposed this great undertaking it indicated that with the facilities which Canada possessed this cooperative effort might prove to be of a most essential and decisive character. It is therefore a source of no little satisfaction to the government, as I am sure it will be to the house and to the country, to have the assurance that the plan is more than meeting the expectations of the British government.

Any review, however brief, of Canada's war effort, demands a reference to the losses which our armed forces have sustained. The nature of the war itself has hitherto fortunately spared us from heavy casualties. Our troops, twice under orders to proceed to the front, were denied actual participation in battle, first by the withdrawal from Norway, and next by the collapse of France. The restriction of active warfare, since the fall of France, to Britain and the waters surrounding the British isles, and the comparative rarity of naval engagements, have combined to restrict our losses on land and at sea. In the air up to the present the heat and burden of battle have been largely borne by British pilots.

Our main losses have been at sea. Canada has lost three armed ships, the destroyer H.M.C.S. *Fraser,* with a loss of forty-seven ratings; the destroyer H.M.C.S. *Margaree,* with a loss of four officers and 136 ratings; and the armed trawler H.M.C.S. *Bras d'Or,* with a loss of five officers and twenty-five ratings. In addition to these some twenty-four officers and ratings have been lost in active service from various causes. The total of the lives lost at sea up to the end of October was 241. These figures do not include the losses of Canadian merchant seamen, of which I regret to say no accurate figures are at present available. I should like here to say just a word about the sinking of the *Empress of Britain.* Although she was requisitioned by the admiralty at the beginning of the war, and was not serving as a Canadian ship, her many associations with Canada were such that the shock of her loss brought the reality of war particularly close.

It has been my sad duty to express to the next of kin of the brave men who have died at sea the sympathy, gratitude and pride of the Canadian people. In all such expressions which have been made and in those which may be made I know that every member of this house will wish most sincerely to join.

Our two major losses at sea have been due to tragic accidents of war. The men who lost their lives in the sinking of the *Fraser* and the *Margaree* and the foundering of the

Bras d'Or, and the merchant sailors who have faced all the dangers of the ocean, made more perilous by a ruthless foe, have died as heroes in their country's cause.

In the air, up to and including the end of October, we have lost in the Royal Canadian Air Force twenty-seven officers and forty-one airmen in Canada. Outside Canada we have lost five officers and two airmen. In addition to these casualties, 203 Canadians serving with the Royal Air Force have lost their lives on active service.

The men who have lost their lives in the training schools have sacrificed themselves for their comrades who will carry on their traditions in the skies of battle. Their gallantry will long be remembered in our land.

The Canadian army has lost by death in action, death from wounds, from disaster, accident and misadventure, 168 officers and men. To all who remain to fight on sea, on land and in the air, it behooves every man, woman and child in the country to dedicate every hour of labour which may be necessary in order that our sailors, our soldiers and our airmen may be fully equipped to face the perils that lie before them. They deserve at our hands the best machines, the best material, the best care that money and honest labour can provide. We know how nobly and courageously they will acquit themselves. We do not doubt them. They must have no reason to doubt us.

May I now say a word about national registration. This gigantic task was the first undertaking of the Department of National War Services after its creation on July 12. I do not need to tell hon. members how promptly, how vigorously and how efficiently the registration was organized, or how smoothly and efficiently the machinery for registration worked on August 19, 20 and 21. I want, however, to express to hon. members of all parties and groups the warm appreciation that the government feels for their effective cooperation in this great national task. The cost of the registration itself was kept at a minimum owing to the enthusiastic response of citizens in all walks of life to the call for voluntary unpaid assistance in carrying through this great survey of Canada's human resources. The response of our people to this first universal call to duty was magnificent.

Rapid progress is being made in the tabulation of the results of the national registration in order to provide a complete picture of Canada's resources of man power to meet the many and varying calls for war-time service. The government did not await completion of the laborious task of tabulation before getting under way the immediate purpose of the national registration. The first task undertaken, when the registration itself had been completed, was the preparation of the lists which have since been used for the national mobilization for basic military training of single men and childless widowers between the ages of nineteen and forty-five.

The training itself has also got under way with amazing despatch. While the Department of National War Services was engaged in preparing the lists of men to be called for service, and setting up the thirteen national war service boards, the training camps themselves were being prepared to receive the men. Critics said it could never be done in the time set by the government. But it was done, thanks to the untiring efforts of the officials and officers of the departments of National Defence and of Munitions and Supply, and the invaluable cooperation of the construction industry. On the 13th day of September a proclamation was issued calling out men for military training in the 21, 22 and 23 year old class. Shortly afterwards the registrars of the national war service boards sent out the first call for training. In response to the first call 27,559 men appeared at the training camps. After a second medical examination 2,034 of these men were rejected. The rest of the men have now completed their first period of training.

The national training scheme has taken the form recommended by the military advisers of the government. The present period of training was, to some extent, determined by the present availability of equipment. The experience which has been gained, and will be gained, by the men who are called up under its provisions will be of advantage both to the armed services and to the young men who have been called up for this branch of national service. It is providing an opportunity for a careful estimate to be made of the individual capacities of our young men, to determine their aptitude for service in the army, the navy, the air force, and war industry. As time goes on, it will also mean that those who enlist for active service, having had that basic training, will be able to complete their additional training more quickly and more efficiently. The men who have been called up have responded with an alacrity and an enthusiasm that have made us all proud of those to whose loyalty and strength the future of our country is being entrusted.

The most graphic index of the progress made in furnishing needed munitions and other war supplies and equipment is perhaps the total of war contracts let. On August 12 we had

awarded for the account of Canada contracts to the total amount of $302,000,000. By November 4, that amount had been increased to more than $443,000,000. Of the $443,000,000 worth of contracts, 87 per cent have been placed in Canada, 8 per cent in the United Kingdom, and 5 per cent in the United States. In addition to these amounts, Canadian industry had undertaken as of September 3, 1940, total contracts from the government of the United Kingdom in the amount of $134,000,000 for equipment and supplies, and commitments have been made by the United Kingdom for capital expenditure of an additional $81,000,000. The figure of $443,000,000 which I mentioned a few minutes ago represents contracts for the delivery of munitions, supplies and equipment. We have also made commitments for capital expenditures in the form of plant construction and extensions to the amount of $235,000,000. These capital commitments include: Fifteen explosive and chemical plants at a total cost of $70,000,000; twenty-five armament plants at a cost of $66,000,000; forty ammunition plants at a cost of $36,000,000; additions to automotive plants at a cost of $5,000,000. Further details and subdivisions of these expenditures will be given by the Minister of Munitions and Supply (Mr. Howe).

The production of aircraft in Canada in the three months from July to the end of September increased more than three hundred per cent over the preceding three months. This rapid acceleration of production is still continuing. In the production of munitions, some seventy companies are now at work on orders; some forty-four plants are now engaged in the manufacture of gauges. On the 10th October of this year the Minister of Munitions and Supply announced that designs had been approved of a new type of tank, and that preparations were under way to manufacture 3,000 of them in Canada.

I have tried in very brief form to fix at the given specified dates the increased momentum of our war production. The curve is rising with remarkable rapidity. In addition to providing for our own requirements the Department of Munitions and Supply is, as the house is aware, responsible for placing orders and securing supplies for the British government in Canada. Hon. members will be pleased to know that our efforts in this regard have received enthusiastic commendation. The Right Hon. Herbert Morrison, then Minister of Supply in the United Kingdom, gave an interview to the London Evening *Standard* on September 16 in which he said:

If ever I was tempted to indulge in a mental slump—which I seldom am, being an incurable optimist—I immediately think of what Canada is doing and going to do. That is more than enough to knock the bottom out of any fit of blues.

In the same interview he added that Canada already had been equal to all the demands made upon her, and he referred specifically to the "colossal"—that is his own word—quantities Canada had supplied of timber, non-ferrous metals, steel and aluminium. He concluded with words which I believe every Canadian will echo. "Whatever the demands of the future may be," he said, "I am sure of one thing—Canada will be there."

War production depends upon keeping up ample supplies of raw materials, and upon the organization of industry for new production. It equally depends upon skilled labour. Industrial employment in Canada has already reached a level never attained before in our history. Labour has extended its hours, surrendered its holidays, and in its determination to increase and advance production has taught the young and the inexperienced the intricacies of complicated trades. It will be the duty of the people of Canada, realizing these things now, to remember them in the hour of victory.

I shall conclude my account of Canada's war effort by a very brief summary of our war finance. I need not remind the house of the principles on which the government has decided that our war effort should, as far as possible, be financed. We have relied upon taxation and upon domestic borrowing. Even if we desired to use them, foreign markets are not at present available.

In the first twelve months of the war our expenditure was $290,000,000, or about $800,000 a day. The collapse of the resistance to the nazi offensive on the continent of Europe and the elimination thereby of many of the protective factors of time and space, were followed by an immediate increase in our financial and material responsibility. The result was a rapid and progressive rise in our war-time expenditures. In June and July we were spending about one and a third million dollars a day; in August, nearly two million dollars a day. In the month of September we spent $66,000,000; in October our war expenditures were over $81,000,000. The October expenditures were at the rate of almost a billion dollars a year.

Our revenues fortunately are at the highest level in Canada's history. Our second war loan of $300,000,000 was oversubscribed. Its subscription was broadly based. It was not unduly concentrated in the hands of banks and financial institutions, but many thousands of small investors rallied to its support. More than one million war savings certificates have

been issued with an average holding of approximately $25 each. The original objective of $50,000,000 in the first year has been raised to $122,000,000. We have recently concluded arrangements with the United Kingdom to repurchase Canadian securities to the amount of $109,000,000 to provide the United Kingdom with Canadian funds for war purchases in Canada.

The Minister of Finance (Mr. Ilsley) will, of course, give a detailed report of our war finances. I should, however, not like to conclude this brief survey without pointing out that, thanks in no small measure to the excellent work of the Foreign Exchange Control Board there has been no major disturbance in the international exchange position in so far as it affects Canada. Equally, due to the splendid services performed by the War-time Prices and Trade Board, there have been no undue burdens placed upon Canadian consumers.

Before turning to another aspect of my subject, I should like to remind the house that the only limits the government is prepared to place upon Canada's war effort are those imposed by the extent of our resources, both human and material, and by our capacity for sacrifice. We will make financially possible, the utmost effort the people of Canada are physically and morally capable of making.

The policy of the government in this respect was clearly set forth by the present Minister of National Defence when, as Minister of Finance, he brought down the budget on June 24. Let me repeat his words:

> I need hardly say that our war effort is not in any sense to be limited by any such financial calculations or by what we can comfortably accomplish. We must make the maximum effort of which this country is capable. Financial provision can be made and will be made for whatever it is physically possible for us to produce or to procure in the way of war services, supplies and materials. The limits of our effort are not fiscal; if there are any such limits they are physical, mental and moral—by that I mean the physical limits of our resources and the mental and moral capacity of Canadians to bear burdens and make sacrifices.

A similar statement of government policy was made by the present Minister of Finance at the close of the review he gave the house of our war finances on July 30, when he said:

> See that Canada does her utmost—on the land, on the sea and in the air—and the cost, in so far as money can meet it, will be gladly and proudly paid.

I wish now to speak of Canada's relations, and indeed of the relations of the whole British commonwealth, with the United States, in the period under review. Before discussing these relations, I should like to say a word about how much our own Canadian war effort owes to the cooperation of the United States. Aircraft and tanks for training purposes, and destroyers for active service, are outstanding among the many essentials of warfare which the United States has so generously made available to Canada. The president's announcement on Friday last of the priorities being given to Britain and ourselves is only the most recent example of United States assistance magnanimously given to the United Kingdom and to Canada. Every member of the house will, I am sure, join with me in an expression of our appreciation and gratitude.

When history comes to record the time and place at which the onward sweep of nazi aggression was halted, and the tide of war turned, that place and time will be found, I believe, to be the English channel, during the months of August and September. Just as the evacuation of Dunkirk will remain a chapter unsurpassed in the history of British arms on land, on sea and in the air, so the indomitable resistance of Britain, the stout hearts of the people of London, the unflagging skill and daring of the young men in the air, and the unceasing vigilance of the navy will mark the supreme moment in the present world conflict when tyranny was halted in its threatening course, and despair was changed to hope.

There remains little doubt that when French resistance collapsed last June, the government of France and her military leaders believed that not only France but also Britain was doomed. In their despair, they thought that the nazi onslaught was irresistible and that Britain, too, would crumble before the might of the German attack. The terms of the French surrender and much that has happened since can be understood only in the light of this conviction of nazi invincibility.

Nor were the French alone in this appalling belief. It was generally held on the continent of Europe and, to a surprising degree, even in the United States. Public attention there became concentrated on the extent of American preparedness to meet the threat to this hemisphere which would follow the defeat of Britain. The myth of isolation was dissolved in an almost frenzied preoccupation with self-preservation. In order to meet the requirements of United States defences on land and sea and in the air, a movement of opinion developed even to the length of urging the retention in America of supplies of equipment and munitions desperately needed by Britain. Ominous rumours spread and gained credence that Britain could not hold out.

But Britain did hold out, and held out magnificently. The world's vision cleared, Great Britain stood forth as she has through the centuries, an impregnable fortress of freedom. On this side of the ocean despair vanished. The English channel came to be viewed as the first line of defence of the United States and of the new world. This break in the encircling gloom, this dawn of fresh hope on the horizon, inspired in the United States a new desire to do all that was possible, short of actual war, to aid Britain in her resistance, and in her determination to destroy the enemies of freedom.

The practical expression of that new hope was a steadily increasing supply of planes and guns and munitions and other essentials of war from the factories of the United States to the battlefield of Britain and the training fields of Canada. As each week passed, British determination evoked increased admiration. As admiration increased, support also increased.

The overwhelming majority of the people of the United States came to see in Britain an outwork of their own defence. They saw the need of giving all possible assistance to Britain. But they saw, too, the need for strengthening their second line of defence. If the coasts of America were to be immune from attack, naval and air bases were needed on the islands of the Atlantic. Joint action between the United States and Canada was recognized also as necessary to their common security. From the point of view of Canada and the whole British commonwealth, what followed constitutes the most significant development in international affairs in the three months since our parliament adjourned in August. In ultimate importance, it far surpasses the formation of the triple axis.

The first inkling of developments already under way was given to the public by the president of the United States, on August 16. On that day Mr. Roosevelt announced that:

> The United States government is holding conversations with the government of the British empire with regard to acquisition of naval and air bases for the defence of the western hemisphere and especially the Panama canal. The United States government is carrying on conversations with the Canadian government on the defence of the western hemisphere.

I shall have something to say to the house in a moment about these conversations. I wish first to recall the events which followed immediately on President Roosevelt's announcement.

The following day, which was August 17, I met the president at Ogdensburg. Our conversations that day, in continuance of conversations previously held, culminated in the formulation of an agreement which was made public the next afternoon, in a joint statement issued by Mr. Roosevelt and myself. I should like now to place the joint statement on record. It has come to be known as the Ogdensburg agreement. These are its terms:

> The Prime Minister and the President have discussed the mutual problems of defence in relation to the safety of Canada and the United States.
>
> It has been agreed that a permanent joint board on defence shall be set up at once by the two countries.
>
> This permanent joint board on defence shall commence immediate studies relating to sea, land and air problems including personnel and material.
>
> It will consider in the broad sense the defence of the north half of the western hemisphere.
>
> The permanent joint board on defence will consist of four or five members from each country, most of them from the services. It will meet shortly.

The Ogdensburg agreement was reached, as I have said, on August 17, and the joint statement setting forth its terms was issued on the following day. On August 20, Mr. Churchill announced in the British House of Commons the decision of the British government "spontaneously and without being asked or offered any inducement" to offer the United States sites for naval and air bases in the British possessions in the western hemisphere. I should like particularly to draw the attention of the house to one sentence of Mr. Churchill's announcement of the decision of the British government. "In all this line of thought," he said, "we found ourselves in very close harmony with the government of Canada."

On August 22, the Canada-United States permanent joint board on defence was appointed. Colonel O. M. Biggar, K.C., became chairman of the Canadian section and Mayor Fiorello LaGuardia of New York, chairman of the United States section. The first meeting of the board was held at Ottawa, in the following week. The board has met since on several occasions, and has been engaged upon continuous study of the sea, land and air problems immediately related to the defence of the north half of this hemisphere.

The next significant announcement came on September 3, the anniversary of the British declaration of war. On that day President Roosevelt announced that an agreement had been reached between the governments of the United Kingdom and the United States by which sites for bases in British Atlantic possessions were to be made available to the United States. In Newfoundland and Bermuda these sites were leased for no other consideration than Great

Britain's interest in the strength and security of North America. The other sites in the Bahamas, the British West Indies and British Guiana, forming an outer ring of defence to the Panama canal, were leased in exchange for fifty over-age United States destroyers.

The house is aware that six of the fifty destroyers have since been made available to the Royal Canadian Navy and are already in commission. During a recent visit to Halifax, I had an opportunity of visiting some of the destroyers about to be transferred and of seeing how completely they were equipped. I was also privileged to extend to the United States admiral who brought the destroyers to Canadian waters the thanks of the government and people of Canada. I had previously written to the president to express our appreciation. Hon. members may be interested in the contents of my letter and the president's reply, and perhaps I might be permitted to place these on *Hansard* without reading them. My letter was as follows:

Ottawa, 30th September, 1940.

Dear Mr. President,

During the last few days I have been receiving reports from the officers in command of our naval service concerning the delivery and transfer of the United States destroyers to Canada and to the United Kingdom. One of the aspects of this transfer which has been repeatedly referred to in these reports is the splendid condition in which the vessels arrived in Canada and the cordial and cooperative attitude displayed by the officers and crews when the transfer was actually being effected. I have been told, for example, that the vessels were so completely equipped that not only were the mess appointments in perfect condition but the larders were stored as though the vessels were to be used for prolonged cruises with their United States personnel aboard.

I want you to know that the thoughtfulness and consideration which have been displayed in these, perhaps minor, but very characteristic actions, have been recognized and very deeply appreciated by the Canadian naval service and by the government of this country as well. I hope that you will inform the responsible officers that the way in which they have acted in arranging and carrying out the transfer of these vessels has been brought directly to my attention, and that I have asked that they should be thanked collectively and individually on behalf of the Canadian navy, the Canadian government and the Canadian people.

With kindest personal regards, I am

Yours very sincerely,

W. L. Mackenzie King.

The president's reply reads:

October 17, 1940.

Dear Mr. King:

Your very cordial letter concerning the manner and condition in which our destroyers have been turned over to Canada and the United Kingdom has given me great pleasure. I shall be happy indeed to have conveyed to the responsible officers the sentiments you have so graciously expressed.

On their behalf and that of the United States navy please accept my sincere thanks.

With kindest personal regards, I am

Yours very sincerely,

Franklin D. Roosevelt.

Now for a word as to the conversations which preceded the Ogdensburg agreement. The agreement itself was not due to any sudden or precipitate action. It was the outcome of several conversations between the president and myself with respect to coastal defence on both the Atlantic and the Pacific, in which the mutual interests of Canada and the United States were discussed. It has seemed to me that I should reserve for parliament such statement as it might be advisable to make with reference to those conversations which, in their nature, necessarily were highly confidential. I might say I have received the president's permission to refer to them publicly.

In the matter of time and significance, the conversations between President Roosevelt and myself on matters pertaining to the common interest of our two countries in the defence of their coasts, divide themselves naturally into two groups: the conversations which took place prior to the commencement of the war, and those which have taken place since.

The first conversation was on the occasion of a visit I paid the president at the White House, as long ago as March, 1937. At that time the discussion had reference to the position on the Pacific as well as on the Atlantic coasts. It was then agreed that, at some time in the future, meetings might be arranged between the staff officers of both countries to discuss problems of common defence.

On September 30 of that year, the president paid a visit to Victoria, British Columbia, crossing on a United States destroyer from Seattle. This visit led to arrangements for talks between staff officers regarding Pacific coast problems, which took place in Washington in January, 1938.

I think I may say that on every occasion on which I have visited the president in the United States, or on which I have met the president on his visits to Canada, matters pertaining to the defence of this continent have beeen a subject of conversation between us.

The defences on the Atlantic were referred to particularly in our conversations in August, 1938, in the course of the president's visit to Kingston, and the opening of the Thousand Islands bridge at Ivy Lee. At that time, it will be recalled, the president made the open declaration that the people of the United

States would not stand idly by if domination of Canadian soil were threatened by any other empire. To this declaration I replied at Woodbridge, Ontario, two days later, that we too had our obligations as a good, friendly neighbour.

Our common problems of defence were discussed at length and in a more concrete and definite way when I visited Washington in November, 1938, to sign the new Canadian-United States trade agreement.

In the summer of 1939, the president paid a visit to Canadian waters off the Atlantic coast. He subsequently told me that this visit, like his similar visit to Victoria two years earlier, had been occasioned by his concern with the problem of coastal defence.

With the outbreak of war, the question of coast defences became of vital importance. At the same time, the fact that Canada was a belligerent and the United States a neutral complicated the problem of pursuing the discussions. In the face of the European menace it was obviously desirable to give expression to the needs of joint defence. To the means, however, of effecting this end, the most careful consideration had to be given in order that there might be no grounds for the belief that there was any attempt on Canada's part to influence the policies or to interfere in the domestic affairs of a neutral country. Had there not been, between the president and myself, complete confidence in each other's purpose and motives, I question if the situation could have been met without occasioning genuine embarrassment to one side or the other, if not indeed to both. Fortunately, in the light of our previous conversations, there was no danger of the position being misunderstood, and my visit with the president at Warm Springs, in April of the present year, afforded an exceptional opportunity for a careful review of the whole situation.

This is perhaps an appropriate place for me to say that, from the beginning, and at the time of each conversation, the president made it perfectly clear that his primary interest in the subject was the defence of the United States. I was equally frank in making it clear that my concern was the effective defence of Canada, and the defence of the British commonwealth of nations as a whole.

If one thing above another became increasingly evident in the course of our conversations, it was that our respective countries had a common interest in the matter of the defence of this continent. Since this was the case, everything pointed to the wisdom of planning carefully in advance for whatever contingency might arise.

The conversations begun between the president and myself before the war, in the direct manner I have described, and at Warm Springs taken up anew after Canada had entered the war, were supplemented as the weeks went by, by conversations conducted through diplomatic channels. Staff conversations followed in due course.

I should perhaps say that I gave to my colleagues who were members of the war committee of the cabinet my entire confidence with respect to the conversations I had had with the president, and subsequent steps were taken with their knowledge and full approval. I should also like to say that the British government was kept duly informed of what was taking place. The Canadian government likewise was kept informed of the defence matters directly discussed between the British government and the United States. The discussions naturally included questions pertaining to the leasing of air and naval bases on the Atlantic.

As I have already mentioned, the president had announced the day before our meeting at Ogdensburg that conversations had been taking place between the two governments. The Ogdensburg agreement formally confirmed what the previous conversations and planning had initiated. It made known to the world that plans of joint defence were being studied and worked out between the two countries. It did one thing more: It made clear that the board which was being established to make studies and recommendations was not being formed for a single occasion to meet a particular situation, but was intended to deal with a continuing problem. The board on joint defence was, therefore, declared to be permanent.

By a minute of council approved by His Excellency the Governor General on August 21, the establishment of the Permanent Joint Board on Defence was formally ratified and confirmed.

With the permission of the house, I should like to insert in Hansard a copy of the complete minute:

The committe of the privy council have had before them a report, dated August 20, 1940, from the Right Honourable W. L. Mackenzie King, Prime Minister and Secretary of State for External Affairs, representing:

That on August 17, 1940, at the invitation of the President of the United States, he proceeded to the United States to Ogdensburg in the state of New York, to meet Mr. Roosevelt for the purpose of discussing mutual problems of defence in relation to the safety of Canada and the United States;

That conversations on this subject between the Prime Minister and the President of the United States, accompanied by the Secretary of State for War of the United States (Mr.

Stimson), took place on August 17, and the following joint statement with respect to agreement which had been reached was, on August 18, released for publication by the Prime Minister and the President:

"The Prime Minister and the President have discussed the mutual problems of defence in relation to the safety of Canada and the United States.

It has been agreed that a Permanent Joint Board on Defence shall be set up at once by the two countries.

This Permanent Joint Board on Defence shall commence immediate studies relating to sea, land and air problems including personnel and material.

It will consider in the broad sense the defence of the north half of the western hemisphere.

The Permanent Joint Board on Defence will consist of four or five members from each country, most of them from the services. It will meet shortly."

That the actions of the Prime Minister in conducting the said conversations and in agreeing, on the part of Canada, to the establishment of a Permanent Joint Board on Defence for the consideration of the defence of the north half of the western hemisphere, are in accord with the policy of the government as approved on many occasions by the war committee of the cabinet and the cabinet itself.

The Prime Minister, therefore, recommends that his actions in conducting the said conversations and in agreeing to the establishment of the said Permanent Joint Board on Defence be ratified and confirmed.

The committee concur in the foregoing recommendation and submit the same for approval.

I draw particular attention to the following paragraph:

That the actions of the Prime Minister in conducting the said conversations and in agreeing, on the part of Canada, to the establishment of a Permanent Joint Board on Defence for the consideration of the defence of the north half of the western hemisphere, are in accord with the policy of the government as approved on many occasions by the war committee of the cabinet and cabinet itself.

The Permanent Joint Board on Defence might well be considered a logical development from the declarations made by President Roosevelt and myself in August, 1938. Let me recall these declarations to the minds of hon. members. The vital passage in Mr. Roosevelt's declaration at Kingston on August 18 reads:

The Dominion of Canada is part of the sisterhood of the British empire. I give to you assurance that the people of the United States will not stand idly by if domination of Canadian soil is threatened by any other empire.

My acknowledgment of Mr. Roosevelt's Kingston declaration at Woodbridge, Ontario, on August 20, 1938, contained these words:

We, too, have our obligations as a good friendly neighbour, and one of them is to see that, at our own instance, our country is made as immune from attack or possible invasion as we can reasonably be expected to make it, and that, should the occasion ever arise, enemy forces should not be able to pursue their way, either by land, sea, or air to the United States, across Canadian territory.

These declarations marked the first public recognition by both countries of their reciprocity in defence.

I should be the last to claim that the Ogdensburg agreement was due wholly to the conversations between the president and myself, or to our reciprocal declarations in 1938. I am happy to know that, in a moment of crisis, personal friendship and mutual confidence, shared over many years between Mr. Roosevelt and myself, made it so easy for us to conclude the agreement reached at Ogdensburg. In reality the agreement marks the full blossoming of a long association in harmony between the people of Canada and the people of the United States, to which, I hope and believe, the president and I have also in some measure contributed. The link forged by the Canada-United States defence agreement is no temporary axis. It was not formed by nations whose common tie is a mutual desire for the destruction of their neighbours. It is part of the enduring foundation of a new world order, based on friendship and good will. In the furtherance of this new world order, Canada, in liaison between the British commonwealth and the United States, is fulfilling a manifest destiny.

It cannot be assumed that our common background would, of itself, have produced harmonious relations between the two countries, much as that background has helped to make possible a close understanding between us. The understanding which exists owes its vitality to positive and far-sighted statesmanship over more than a century.

May I recall in this connection the words I used at the opening of the Thousand Islands bridge on August 18, 1938:

Our populations, after all—

I said, in referring to Canada and the United States.

—do not differ greatly from those of Europe. Indeed, the European countries have contributed most to their composition. Each of our countries has its problems of race and creed and class; each has its full measure of political controversy. Nevertheless we seem to have found the better way to secure and maintain our peace. . . . In the realm of international relations, we, too, have learned to bridge our differences. We have practised the art of building bridges. . . . In the art of international bridge-building there are two structures, each with its association with the St. Lawrence and the great lakes, of which I should like to say just a word. They stand out as monuments of international cooperation and good will. Each has its message for the world of to-day. The one is the Rush-Bagot agreement of 1817; the other, the International Joint Commission created in 1909.

The Rush-Bagot agreement is a self-denying ordinance of mutual disarmament. The International Joint Commission is an instrument for the peaceful adjustment of differences. The permanent joint board is a mutual arrangement for common defence. All three may appear an inevitable progress dictated by ordinary common sense. But we need only to pause for a moment's reflection to realize that, in the madness of the world to-day, common sense is the highest statesmanship.

I doubt if any act by a Canadian government, and certainly no development in our international relations, has ever received such unanimous acclaim in this country. So far as I have been able to ascertain, not a single newspaper from coast to coast uttered a syllable of disapproval of the Ogdensburg agreement itself. Though estimates of its importance and of the contribution made by myself may have varied, almost no voice was raised to decry its significance.

To illustrate the reception given in Canada to the Ogdensburg agreement, I might cite three brief appreciations, all of which appeared in papers which are frequently critical of the government. The Ottawa *Journal* of August 19 stated:

> Because they are joint trustees of this North American continent little can be wrong about Canada and the United States setting up a permanent joint board of defence. It is a measure of sane caution.

The same day, the Toronto *Globe and Mail* said:

> English-speaking peoples, and all who love liberty, will applaud the arrangement, which welds the bonds of friendship that have grown steadily stronger in the last century and a quarter.

The Quebec *Chronicle-Telegraph* echoed the same sentiments in these words:

> This decision, making the two countries a defence entity and revealing graphically how the greatly changing conditions in Europe are affecting North America's war problems and policies, will undoubtedly be warmly approved in both the United States and Canada, will be of considerable comfort to the British empire as a whole and to the entire Christian civilized world in general.

Although the presidential campaign was already in progress in the United States, and some effort to make political capital might perhaps have been expected, an examination of American press comment reveals a similar unanimous approval of the Ogdensburg agreement. The general sentiment in the United States seems to have been aptly expressed by the Chicago *Tribune* on August 21 in these words:

> Each nation is obliged to defend the other because that is its own best defence. Common sense dictates that arrangements for such defence should be made in advance, to assure efficiency and economy of force if the necessity for cooperation arises. The making of these arrangements is to be the function of the permanent joint board on defence which President Roosevelt and Prime Minister King have agreed to establish.

The realization, both in Canada and in the United States, that each nation is obliged to assist in the defence of its neighbour because that is its own best defence, has grown in the two years which elapsed between the Kingston and Woodbridge declarations and the Ogdensburg agreement.

The events of those two momentous years have served, as well, to allay the fears of those in Canada who felt that closer relations with the United States would weaken Canada's ties with Britain. Throughout my public life, I have consistently maintained the view that the friendliest relations between Canada and the United States, far from weakening the bonds betweens the nations of the British commonwealth, would, at all times, prove a source of strength. Moreover, I have always held that in the promotion of Anglo-American friendship, Canada has a very special role to play. This belief, I am happy to say, is shared, in all three countries, by those who have worked for closer relations between the English-speaking communities. It is shared in fullest measure by the present Prime Minister of Great Britain. More than ten years ago, at a time when he himself was holding no public office, Mr. Churchill expressed this belief in terms which I should like to quote from an article of his which appeared in the *Saturday Evening Post* of February 15, 1930.

The words gain a prophetic significance in the light of all subsequent developments and of none more than those of the present day. I quote:

> Great Britain herself has for centuries been the proved and accepted champion of European freedom. She is the centre and head of the British commonwealth of nations. She is an equal partner in the English-speaking world.
>
> It is at this point that the significance of Canada appears. Canada, which is linked to the British empire, first by the growing importance of her own nationhood, and secondly, by many ancient and sentimental ties precious to young and strong communities, is at the same time intimately associated with the United States.
>
> The long, unguarded frontier, the habits and intercourse of daily life, the fruitful and profitable connections of business, the sympathies and even the antipathies of honest neighbourliness, make Canada a binder-together of the English-speaking peoples. She is a magnet exercising a double attraction, drawing both Great Britain and the United States towards

herself and thus drawing them closer to each other. She is the only surviving bond which stretches from Europe across the Atlantic ocean. In fact, no state, no country, no band of men can more truly be described as the linchpin of peace and world progress.

It is a happy coincidence that the soundness of this view of Canada's position as a link between the British and American peoples should have been so amply demonstrated at a moment when the one who shared it so completely, and who expressed it in such eloquent terms, has come to hold the office of Prime Minister of Great Britain.

In an editorial comment which appeared in the London *Times* on August 22 of this year, the significance of the Ogdensburg agreement in the wider relations between the English speaking peoples was recognized in terms reminiscent of Mr. Churchill's utterance of ten years ago

"The two countries" said the *Times*, "will henceforward have closer ties than they have ever had in the past, and Canada more than ever before will be the linchpin of Anglo-American relations."

Let me quote two other extracts, one from a Labour, and one from a Liberal newspaper. They serve to reveal the unanimity of view of the British press. The London *Daily Herald* said:

Faith in the British system has been revitalized. So to-day it is with blessing we say: Canada, through you new links can be forged between us and our cousins across your unarmed frontier. Make your own decisions. They are ours.

On August 20 the *Manchester Guardian* said:

There is a close connection between the two announcements of the week-end of the negotiations with Britain for the leasing by the United States of naval and air bases in the Caribbean sea and of the agreement between the United States and Canada for setting up a joint defence board. They are part of the preparations for the defence of the western hemisphere against the dictatorships. They have a bearing on the war and on American help for Britain.

In view of the extent to which, throughout my public life, my known attitude towards the United States has been so greatly misrepresented, I may perhaps be pardoned if I venture to give to the house some indication of how this attitude and my occasional visits to that country have been viewed by those in the United Kingdom who are perhaps in the best position to judge of their value.

In a cable which he sent to me as recently as September 13, and which was first made public in the United Kingdom, Mr. Churchill was kind enough to use the following words:

I am very glad to have this opportunity of thanking you personally for all you have done for the common cause and especially in promoting a harmony of sentiment throughout the new world. This deep understanding will be a dominant factor in the rescue of Europe from a relapse into the dark ages.

A few days later—September 17—in the House of Lords, Lord Caldecote, who was at that time Secretary of State for the Dominions, made the following reference:

Perhaps the most striking development in the recent weeks has been the coming together of the British empire and the United States, as illustrated in the recent agreement for the grant of defence bases to the United States in certain British territories and the supply of American destroyers for our naval forces. But this is not all. It has been coupled with and indeed preceded by the agreement between the United States and Canada for the setting up of a joint defence board and perhaps I may be allowed to repeat the tribute which the Prime Minister paid in a recent message to the Canadian Prime Minister, Mr. Mackenzie King, for the great part which he has consistently played in promoting a harmony of sentiment between the British empire and the United States of America. I need not remind your lordships how pregnant with possibilities this new development may well be for peace and freedom in the years to come.

Any part which our country may have had in bringing about a harmony of sentiment between the British empire and the United States may well be a legitimate source of pride to all Canadians. In the midst of the darkness which to-day enshrouds mankind, the relations between the United States and the British commonwealth shine forth as the one great beam of hopeful light left in the world.

During the American civil war, when the relations between Britain and the United States were strained almost to the breaking point, John Bright, speaking in the British House of Commons on June 16, 1863, used these conciliatory and prophetic words:

I can only hope that, as time passes, and our people become better informed, they will be more just, and that ill feelings of every kind will pass away; that in future all who love freedom here will hold converse with all who love freedom there, and that the two nations, separated as they are by the ocean, come as they are, notwithstanding, of one stock, may be in future time united in soul, and may work together for the advancement of the liberties and the happiness of mankind.

What greater hope can we entertain for humanity than that the vision of John Bright for the union of souls of the British and American peoples may find its realization in their work together for the preservation of the liberties of mankind.

I was going to say something with reference to the Great Lakes and the St. Lawrence development, but the leader of the opposition (Mr. Hanson) had also the same intention, and as he has decided to defer to another

time his remarks on that subject I am glad now to do the same. I shall continue with a few references to our relations with France.

The present war has, as I have shown, enlarged the opportunities and the solemn responsibility of Canada to serve as a vital link between the United States and the British commonwealth. This role is, however, not the only one which Canada is uniquely equipped to play in international relations. There is a third great nation with whom our ties are close. I have spoken of Canada's place as an interpreter of the English speaking peoples. Canada, however, is not merely an English-speaking nation but is also a French-speaking nation. It is, indeed, the second French-speaking nation of the world.

The agony of France has thrown upon Canada a great responsibility and a great mission. As I pointed out at the moment of the collapse of France, "the tragic fate of France leaves to French Canada the duty of upholding the traditions of French culture and civilization, and the French passion for liberty in the world. This new responsibility will, I believe, be accepted proudly."

Events are throwing upon Canada not only the mission of upholding the traditions of French culture and civilization, but also the duty of helping to keep alive in the hearts of Frenchmen, all but prostrate to-day before a brutal conqueror, their devotion to liberty and their hopes of its ultimate triumph.

In the consciousness of that mission, my colleague, the Minister of Justice (Mr. Lapointe), recently broadcast a message to the French people. May I repeat a few lines from that message:

> "Over there, you are our allies because we know too well the heart of France to doubt an instant of her heart's loyalty. Because we love the same things, we know that, no matter what fate may bring to her, no matter what tribulations await her, France will never fight against the British, against us, French-Canadians, so many of whose sons have been resting in the soil of France for the past twenty-three years."

I appeal to hon. members in the house and I appeal to my fellow-countrymen in all parts of the dominion to bear always in mind the task which Canada alone can perform in keeping hope alive in the hearts of the grief-stricken people of France. Let no word from Canadian lips add to the agony of her open wounds. Let us inflict no new pain, and let us be ever watchful to exercise the healer's art. In the new world which will follow the destruction of the evil thing which now crushes France, Canada's part in cementing the bonds between the French and the English-speaking peoples may be just as great as her role in bringing into closer relationship the peoples of the British commonwealth and the United States.

A word in conclusion concerning our war aims, or, if the term seems preferable, our peace aims. Rightly considered, the two constitute opposite sides of the same shield. There has already been a good deal of discussion concerning aims in this war. It is said on the one hand that the only aim of importance is to defeat the enemy; on the other, that most important of all is to bring into being a new social order, an order in which freedom, truth and justice will increasingly prevail in the relations between individuals, between classes and among nations. Personally I do not see that any conflict need arise between our war aims and our peace aims. If nazi Germany is not defeated there will be little of freedom, truth and justice left in this world. If on the other hand we are in earnest in our desire to have freedom, truth and justice prevail in all human relations we should be prepared to fight as men have never fought before.

The hidden source and latent power of all human action lies in its motive. The motive of nazi Germany is domination, its method the most brutal and barbarous which evil minds have been able to conceive. The motive of domination to achieve its ends must be accompanied by material power. That power may be exercised through the instruments of violence and force, or through any of the agencies of propaganda, trickery and treachery which serve to foster aggrandizement and beget fear. Material power alone, however, is not an enduring power. Strip domination of its material trappings and there is nothing left. Freedom, truth and justice belong to a different realm. They are not material things capable of being consumed and destroyed; they are of the mind and of the spirit, they belong to the eternal realities. They are attributes of God Himself. In the end they are certain to triumph.

In their conflict with those who make of material power an end in itself, those who treasure the world of mind and spirit may, for the preservation of their physical existence, find it necessary to forge and to use against their adversaries the weapons of material power. It is well to remember that "he that liveth by the sword shall perish by the sword" is a part of Christian doctrine. To my mind the simple test of the right or wrong of any aim or of any institution is: Can it endure? Domination by a single dictator or group of dictators may last for a time. It may extend its sway and its sweep, but it cannot endure. Freedom, truth and justice crushed to earth

will rise again. It is the breath of God which alone gives life to the bodies of men. Freedom, truth and justice, these will endure; for not only do they give life but they continue to give it more abundantly.

What is necessary then to win the present conflict? It is to put on the whole armour of God, not the outward material trappings only, the helmet, the sword and the shield, necessary as they may be for purposes of defence and of attack. Let it never be forgotten that "we wrestle not against flesh and blood, but against principalities, against powers, against the rulers of the darkness of this world, against spiritual wickedness in high places." Let us make sure that the helmet is also one of salvation; the sword, one of the spirit; and the shield, one of faith; that our loins are girt about with truth and that our breastplate is one of righteousness, and that our feet are shod with the preparation of the gospel of peace. If these things are ours, and I believe they are the weapons with which Britain and the dominions seek to slay the dragon of nazi Germany to-day, we shall find little difficulty in reconciling our war aims and our peace aims. To slay the dragon which has been fascinating its victims by fear, poisoning the springs of their moral and intellectual being at the source, and which would prey upon their vitals for years to come is clearly the first task of a civilization which would save itself. In equal measure, however, we must strive throughout the struggle itself, and more than ever when the evil dragon of nazism is slain, to see that never again, in our own or in any other land, shall the gods of material power, of worldly possessions and of special privilege be permitted to exercise their sway. Never again must we allow any man or any group of men to subjugate by fear and to crush by the power of might the spirit and the lives of honest and humble men.

Mr. M. J. COLDWELL (Rosetown-Biggar): I do not propose to follow closely to-night the arguments or the statements of the Prime Minister (Mr. Mackenzie King). I shall have some criticisms to make, but before I do so I should like to congratulate the Prime Minister upon an anniversary in his life which I understand is reached to-day. I am told that thirty-one years ago, on November 12, 1909, he first took his seat in this house as Minister of Labour. I should like on behalf of the group to which I belong—and I am sure I express the feelings of other hon. members as well—to wish him good health and strength to carry on the difficult task that is now his.

I should like also to congratulate the mover and the seconder of the address, and to express to the hon. member for St. Lawrence-St. George (Mr. Claxton) the appreciation we feel for his kindly reference to the hon. member for Winnipeg North Centre (Mr. Woodsworth). We feel that in that reference he placed before the people of Canada as well as hon. members of this house one of the reasons why many people who might otherwise oppose the use of force believe that the struggle now in progress is one for the very fundamentals of democracy; for in this parliament on more than one occasion the hon. member for Winnipeg North Centre rose in his place and freely expressed opinions which were in direct opposition to the views held by a vast majority of the members of this house. The very fact that that could be done in this chamber is in my opinion a demonstration of some democracy in the Dominion of Canada.

I would also congratulate the seconder of the address (Mr. Jutras), and to pass this remark, that his excellent use of the English language and the fact that I am told that he speaks French equally well, coming as he does from an English-speaking province of this dominion, constitute an example which I wish more of our young people throughout this broad dominion would follow. I want to congratulate him upon his ability to use both languages so proficiently.

The members of our group welcome this new session of parliament. We believed, and we believe, that this house should neither adjourn nor prorogue for a longer period than ninety days during the continuance of the present struggle. It is, I think, a sad commentary on the Prime Minister's professions of democracy that he has treated parliament with what I believe to be scant consideration since the outbreak of war. In the first eight crucial months of this great struggle parliament sat for only six business days, including January 25. When it was suggested that parliament should adjourn and not prorogue on August 7 we were careful to inquire if reassembly on November 5 would be mandatory. The Prime Minister gave us his assurance that it would be. The question was prompted by a desire to prevent a repetition of the farce of January 25. It was with surprise, therefore, that we read in the press the announcement that the meeting on November 5 would be merely formal and that the house would adjourn without discussion until some time in January. The announcement went so far as to say that members who lived at a distance need not attend.

Without entering into the controversy between the Prime Minister (Mr. Mackenzie

King) and the leader of the opposition (Mr. Hanson) as to who suggested this strange method of procedure I would remind them both that this is still a free parliament and not a fascist grand council or nazi reichstag, to be assembled and dismissed at the will of any member of the house, no matter how high the office he may hold. The members of this house decided to adjourn until November 5, and neither the Prime Minister nor the leader of the opposition had any right to suggest that some members need not attend or that there would be no discussion. Fortunately the press and public opinion prevented the attempted usurpation of the rights and privileges of the people's representatives. We at least are determined that in a war fought for freedom of speech, freedom of assembly and democratic institutions, parliament, not the Prime Minister or the leader of the opposition or any other person, shall be supreme. Parliament may be a nuisance to some people; it always has been, and many attempts have been made to get rid of it. Methods were cruder three hundred years ago when, on another November 5, Guy Fawkes proposed to blow it up with gunpowder. This November 5 the Canadian parliament was not to be blown up; it was to be blown out. Well, both plans fortunately were frustrated, and parliaments continue to be symbols and instruments of an age old and still to be completed struggle for freedom and self-government. Surely it is the duty of members of this house to meet frequently during this period of grave crisis.

Since we rose in August events have occurred which have profoundly affected the future of the world. The Prime Minister reviewed them to-night. The war has continued to spread, and we have watched with admiration the truly magnificent effort of the British people in defence of their homeland. Meantime France has fallen more completely under the domination of the dictators. Pierre Laval, the long time friend of fascism, now is vice-premier of that stricken country, guiding Marshal Petain, who is old and tired, just as Hindenburg was old and tired when Hitler began his rise to power. What then is to be our relationship to the Vichy government? No longer can it be regarded as a free government representing the will of the French people. Its decrees obviously are dictated by its nazi masters.

This tragic situation at once raises the question of the position of its legation in Ottawa. Is it wise and proper, in the light of everything that has happened in France and in Europe, that representatives of any pro-fascist governments under the control of Hitler and Mussolini should continue to enjoy all the privileges and immunities of the diplomatic corps? It seems to us that while representatives of foreign states and powers should be treated always with the utmost consideration, yet now we should remember that we are engaged in a new kind of war, no longer a struggle between nations in the old sense of the phrase but, as the Prime Minister said earlier this evening, ideological. Ideological wars cut across boundaries, just as the religious wars cut across boundaries and across nations centuries ago. This leads me to say that our government might make it known to neutral powers that it is the wish of this country that accredited diplomatic representatives from abroad shall be persons who in the recent past have shown no satisfaction with the successes of Mussolini or Hitler in Ethiopia, Spain, Czechoslovakia or any other place where the menace of dictatorship has raised its ugly head. This precaution we owe not only to the people of Canada but to our good neighbours to the south to whom since we adjourned in early August the government has linked us closer.

We agree with the mover of the address in expressing our deepest satisfaction with the agreement that has been reached with the United States for the joint defence of this continent. Indeed last session we urged that attempts should be made by Canada to discuss such a proposal. At that time our suggestion met with a very cool reception by this house, but I am glad that President Roosevelt invited the Prime Minister to meet him at Ogdensburg. The press and public generally approved whole-heartedly the meeting and all its happy results. Indeed, it is our hope that the friendly relationship existing among the peoples of Canada, the British commonwealth and the United States may be even more firmly cemented as the days go by. Meantime the Prime Minister has been wise to inform the house regarding the agreement, and I would suggest that further information can be obtained later in the session regarding the extent and scope of the agreement perhaps in greater detail. Should this or other matters require a closed session of this house, then I think the government should facilitate its being held.

From the United States agreement it seems to me two facts emerge. First, it is another recognition by our populous, rich, and powerful neighbour to the south that she has no security apart and distinct from the collective security of her neighbours as well as herself. And, second, Canada recognizes her position as a part of the north American continent, and undertakes new obligations in regard to it.

Thus, I repeat, understandings which may profoundly affect the world position of our own country ought to receive the fullest consideration by this parliament. We are of the opinion, too, that every phase of our war effort should receive the most careful scrutiny by this house. Recently Major-General Crerar, from whose speech before the Ottawa Canadian Club some quotations were made by the leader of the opposition this afternoon, has been giving addresses across Canada. In them he has been emphasizing our need to intensify our efforts toward the complete provision of armaments for our men in uniform. We of this group believed a year ago that Canada's most effective contribution in this war ought to be made in the national organization of industry for the supplying of economic aid without profit to ourselves. We still believe this to be the major contribution that we can make. So far public attention has been focussed upon the raising of men. Our mobilization act so far has been used only to register the adult population, and to call out certain classes of young men. In our opinion the act should have been used first to mobilize industry for an efficient war effort.

Apart from every other consideration I submit we have no right to ask men to surrender themselves for the common cause unless and until we ask industry and our financial institutions to place themselves on the same basis at the disposal of the country in her hour of need. And this has not yet been done. On the contrary large sums of money are being spent by the governments on the enlargement of privately owned plants and upon the erection of new plants which are to be owned by the governments but operated by certain private corporations.

I would remind the house that reliance on private enterprise nearly lost the war of 1914-18, and private enterprise, according to the Minister of Munitions and Supply (Mr. Howe), blocked the making of certain war supplies in Canada during the first eight months of the present war. It was not until a new government in Britain revolutionized the control of her war effort that the picture began to change. Yet in Canada, under the policies favoured by the Department of Munitions and Supply, this country is being delivered more completely into the hands of those who already monopolize our economic life.

Indeed, I will go a step farther and say that it would appear that government-owned institutions are being sacrificed in the interests of private corporations. Allow me to illustrate:

Last week I was in a large western city near which a new war industry is being established. The Canadian National railway and the Canadian Pacific railway run almost parallel into this city. The site for the plant was selected just half a mile from the large mains supplying the city with water and on the main electric power line. The site was level, without buildings and in every way suitable. The Canadian National Railways could run their spurs quite easily into the plant, but the Canadian Pacific Railway could not. A short time ago the site was changed to the other side of the Canadian National Railways' track, in order that the Canadian Pacific Railway might serve it. The change necessitates, among other things, the building of a water main four and one-half miles long, instead of the half mile required before at a cost of approximately $60,000 a mile.

Mr. TURGEON: What city was that?

Mr. COLDWELL: I believe I may say that it was the city of Winnipeg. This is not hearsay. I was taken out to see the sites by the responsible city head, so that I might be quite fully and reliably informed.

Mr. HOWE: The hon. member's information is not complete, however.

Mr. COLDWELL: That is the information as it was given to me by the mayor of the city.

No doubt other members of this house can give, and I hope will give, examples of how powerful oil companies, gas and power companies, chemical concerns, milling interests and aeroplane corporations are being encouraged to dig in now, so that when the war ends Canada will be thoroughly controlled by monopolistic finance and industry. I say that it is the duty of this parliament to change the trends and to relieve those who are responsible for the situation from any further control of our war effort. Otherwise the Canadian people will have lost the war on the home front.

Some industries, too, are pursuing labour policies which must ultimately bring them into conflict with their employees. Up to the present time, unemployment has enabled employers to prevent attempts at organization. Men who wished to organize in the unions of their choice have been dismissed. But the intensification of our war effort and the growing realization that this is a war not of men but of machines, will create a labour shortage. Then these employers will face a new situation and will demand legislation to control labour. Indeed, one order in council, P.C. 6286, tabled last Thursday can be used to prevent workers from trying to better their working conditions. Apparently this order in council has some teeth in it in

the form of a heavy fine. But another order in council, P.C. 2685, setting out the proper relations between employer and employee is a dead letter because it has no teeth in it, and the government has given the Minister of Labour (Mr. McLarty) no power to enforce it.

In Britain the success of the war effort in the last six months is due to the fact that labour is organized and its power made manifest in the highest councils of the nation. In Canada employers thwart with impunity attempts to organize. Even plants financed by the government deliberately discriminate against men who wish to organize. Indeed, a government corporation, the Canadian Broadcasting Corporation, which for some inexplicable reason the Minister of Munitions and Supply took with him when he left the rest of his former department behind, forbade organization among its employees.

True, the Prime Minister repudiated Major Murray's attempt to speak in the name of the government on that occasion, but apparently nothing further was done about the matter by the minister. What is his attitude toward the unionization of the Canadian Broadcasting Corporation employees, or that of workers in government-financed plants? And what of the broadcasting corporation? Radio is an important feature of modern life. Through it great good or evil can be done. In a free democratic country it ought to be available to all. But in Canada, people on this side of the house are never invited to participate in the discussion of public issues. That is reserved for members of the government and for officials who praise them. Indeed, radio stations in some parts refuse to allow representatives of organized labour to use their facilities, even though their manuscripts may have been passed by the dominion censor. Yet employing interests are able to use the same facilities to pat themselves on their backs or to smother the country with soap. Nevertheless it was through the efforts of public-spirited citizens that radio in Canada was made a public service subject to the control of parliament.

Now that radio is an important weapon of war it is deplorable that this great service has been allowed by the responsible minister to deteriorate to the extent that a gentleman, whom the Winnipeg *Free Press* describes as being "one of the oldest and staunchest supporters of publicly owned radio in Canada" has resigned.

Mr. Alan Plaunt's charges are very serious. In his letter of resignation he states that he has long ceased to have confidence in the internal organization and executive direction of the corporation. He adds, and again I quote:

> It is my considered view that the present conditions seriously hamper the corporation in fulfilling its functions in the war emergency, and prejudice its survival as an effective instrument of national unity afterwards.

These, I repeat, are serious charges and demand careful investigation by this parliament. This is not the time to enter into details, but a few things occur to one who has listened to the radio during the past year. In time of war the news and propaganda which come over the air are of the utmost importance. This is particularly true in the case of the Canadian Broadcasting Corporation, because its broadcasts are heard by our neighbours to the south. In war time it is essential that our educational programmes should be attractive, pleasant to the ear as well as appealing to the intelligence of the radio audience. Its day-time sustaining programmes, consisting largely of soap advertising, are turned off in thousands of homes across Canada. People are tired of hearing about suds, dirty clothes and the airing of imaginary family squabbles and difficulties.

But I have been wondering if the situation in the Canadian Broadcasting Corporation may not be due to inadequate ministerial supervision. I have tried to imagine why the Minister of Munitions and Supply retained radio under his control when he abandoned the transport portfolio. It is impossible to see any connection between radio and the production of munitions and supplies; surely its proper place is with those in charge of information and propaganda. Why did the minister of one of the heaviest and most important war departments retain an additional department which has no relation to his work? This should be explained.

Finally—and this must be said by someone—there are the most disquieting stories in circulation regarding the competence and so on, of the general manager. A reputable journal like Toronto *Saturday Night* no doubt refers to this in its last issue when it says:

> And after poking around it seems that there is a mess in the management and policy of the C.B.C., that a public airing will probably do good.

If this is true, then the sooner parliament looks into the matter the better. This country cannot afford the luxury of incompetence or unreliability in the management of one of our most important war and post-war instruments. In short, I believe, that this parliament has the right to know what serious weaknesses the investigation by Mr. Thompson, to which Mr. Plaunt refers in his

letter of resignation, disclosed. A committee should be appointed to investigate the entire matter, and most certainly the Minister of Munitions and Supply should be relieved of a department to which he cannot possibly give the required attention.

Questions have been asked already by the leader of the opposition with regard to the progress of our munitions output. To what extent are we supplementing the factories of Great Britain in the production of tanks and other heavy equipment? Have plans for the making of these commodities been approved and have we the workers and materials in sight to carry through the plans when they are approved? Then, too, what efforts are being made to conserve certain essential material for our own and Britain's needs? I notice that in a statement which he issued on October 23, 1940, the Minister of Trade and Commerce (Mr. MacKinnon) said that our exports to Portugal, Spain and Switzerland have shown sharp increases. For example, the minister said that Spain has been getting automobiles, scrap copper and asbestos.

Spain is a member of the fascist circle, and several times it has been thought that she might participate actively in the war although Berlin states that, like Italy before June, she is more useful neutral than at war with Britain. Why are we sending Spain scrap copper when that country is one of the world's sources of copper? Why asbestos? Why automobiles? All these in larger quantities. We have sent, and I thought that we were still sending—the Prime Minister corrected this belief to-night—material to arm Japan. Are we now helping fascist Spain to prepare for war against us, or to arm Germany and Italy. The Prime Minister stated to-night that Germany is short of copper. We cannot sell wheat to Russia, and I am not complaining about that if there is a danger of its going to Germany, but why sell copper, asbestos and automobiles to fascist Spain which is the creature of Mussolini and Hitler? We demand that the export of goods to our potential enemies cease at once. In saying this I am certain that I am expressing the desire of a vast majority of the Canadian people.

On motion of Mr. Coldwell the debate was adjourned.

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

Wednesday, November 13, 1940.

The house met at three o'clock.

INTERNED ENEMY ALIENS

STATEMENT RESPECTING INQUIRY AS TO EMPLOYMENT ON CONSTRUCTION OF ARMY HUTS

On the orders of the day:

Hon. P. F. CASGRAIN (Secretary of State): With reference to the question asked yesterday on the orders of the day by the hon. member for Cape Breton South (Mr. Gillis) I may say that all construction in connection with internment camps is performed under the engineering branch of the Department of National Defence. I have made inquiries and have ascertained that the services of no prisoners of war have been employed in construction work outside the internment camps. In a few instances where the construction of all the buildings had not been completed when the prisoners of war arrived, their services were used to complete the buildings and the camp equipment in order to avoid additional expense to the public treasury and to ensure speedy completion. The employment of these prisoners on such work was conducted in strict accordance with the international convention relative to the treatment of prisoners of war, and any payment made therefor was in compliance with the provisions of that convention.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Tuesday, November 12, consideration of the motion of Mr. Brooke Claxton for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Hanson (York-Sunbury).

Mr. M. J. COLDWELL (Rosetown-Biggar): War has effectively closed our principal markets for farm products. Our Canadian farmers realize that the necessities of the blockade make it quite improper to export food and other basic materials to countries which may in turn supply Germany and her victims. But they insist that exports of minerals and other supplies shall be controlled in precisely the same manner. Our agricultural problems are, however, not due to war conditions exclusively. Economic nationalism and the increase in production encouraged by the first great war, and made possible by the mechanization and scientific development of agriculture, have combined to increase the difficulties of Canadian agriculture. The lack

of any intelligent policy or direction on the part of the government has greatly increased the difficulties.

In western Canada particularly, restriction of delivery, causing a serious loss of financial return, together with a lack of proper storage space, and lost markets, have caused a condition which endangers the entire economy. The wheat situation can best be illustrated by saying that the carryover of last year's crop, including stocks of Canadian wheat in the United States, was 301,000,000 bushels. The last estimate of the new 1940 crop is 561,000,000 bushels, so that for all purposes we have over 860,000,000 bushels available in this crop year. If domestic and foreign requirements reach 350,000,000 bushels, which in my opinion is too much to hope for, our carryover into the next crop year will be more than 500,000,000 bushels, or nearly 50,000,000 bushels more than all elevator and storage capacity in Canada.

This, however, is not the calamity it appears to be, because it may well become our greatest war asset. For Britain it is an assurance that so long as she can keep the seaways open we have over two years' supply of food for her in our own country; and second, it is an assurance to the suffering people of Europe that as soon as they care to and can cooperate with us in the overthrow of the dictators they too can be fed. In that respect it may prove to be a trump card. We therefore contend that the burden of carrying this asset ought not to be left with the producers, but should be assumed by the entire nation.

Since similar conditions face other branches of agriculture, we would make these suggestions:

1. That the marketing of all farm produce by appropriate boards with adequate producer representation be provided for.

2. The suppression of gambling and speculation in food products, including of course the closing of the grain exchange.

3. The acquisition by marketing boards of all farm produce at parity prices.

4. A cash advance on grain properly stored on the farms of 75 per cent of the wheat board's initial payment, and an issue of participation certificates on all farm produce marketed through the appropriate boards.

5. That on the participation certificates issued last year an interim payment should be made at once. This would assist the farmers to provide proper farm storage for grain, enabling the producers to benefit from the storage charges, now being paid to elevator and other companies.

[Mr. Coldwell.]

6. That all processing and packing plants be brought under cooperative or public ownership and control, to eliminate monopoly exploitation and to establish parity prices.

7. The appointment of a full-time Minister of Agriculture devoting exclusive attention to the industry, and the transfer of all agricultural marketing boards from the Department of Trade and Commerce to the Department of Agriculture.

The policies suggested require the establishment of a planning commission for the agricultural industry. Such a commission should recommend future policy, coordinate the work of the marketing boards and prepare plans for the saving and storage of surplus products during the war period. It should arrange for adequate distribution of food to persons on relief, on small pensions and on low standards of living. It should arrange also for the establishment of a domestic freight rate which would enable producers in other parts of Canada to use our lower grades of grain for the feeding of live stock. In addition, it should arrange for the export to Great Britain without profit to Canada of surplus supplies of food now rationed in the mother country. But let me emphasize that in addition to this immediate policy it should recommend long-term plans for the rehabilitation of the agricultural industry.

There are other matters which time will allow me only to mention briefly now. Foremost among them are the defence of Canada regulations. As I indicated to the special committee at the close of last session, I am far from satisfied with them in their revised form. I believe that every accused person and every accused organization ought to have the right of an immediate and fair trial before an impartial tribunal. I realize that provisions of a different sort relating to the examination of witnesses may be necessary during the war, but an accused and his counsel should have the right to examine fully the written evidence upon which detentions and internments of British citizens are made. In other words, we are again demanding that the rule of law shall be safeguarded and observed. Without these guarantees there can be no democracy and we are in danger of establishing in Canada the very system which we are fighting abroad. The government should provide the house as early as possible in this session with an opportunity of discussing the report of the special committee which dealt with the defence of Canada regulations at the last session.

Last evening the Prime Minister (Mr. Mackenzie King) concluded his remarks with a reference to war and peace aims. I was disappointed that he left the matter, shorn

of all the verbiage, with a statement that our ability to defeat the enemy would determine our opportunity of building a new social order. With that rather trite statement I fancy we can all agree. But we affirm our belief that this government owes it to the Canadian people, and to our men in the armed forces particularly, to define its aims in consultation with the British and the allied governments. Democratic Canadians want this war to end in a lasting peace based on social and economic justice and the rule of law nationally and internationally. To achieve these ends peace must be negotiated between peoples freed of course from the threat of force. Great and small nations must realize that their security depends upon collective security and not purely upon national power. This conception involves the establishment of an international authority superior to individual states and the abandonment of force as an instrument of national policy. It therefore follows that all people must have the right to develop their own civilization and that the rights of national, racial and religious minorities must be guaranteed and respected. This involves the renunciation of all forms of exploitation and the making of provision for economic cooperation and equal access to raw materials and to the markets of the world. In our opinion a statement of such aims at this time would do much to destroy the influence of Hitler and Mussolini in their own countries and consolidate democratic peoples behind the allied cause.

There are other matters which I should have liked to discuss at some length but time does not permit me to do so. We are of the opinion that the government is doing the right thing in calling a conference to consider the Sirois report. Much of the factual material gathered together by the commission will be of great value to students and others in considering the dominion-provincial problems which have to be solved at this time and in relating them to the necessities of our war and post war problems. We shall be glad to give the matter our most intelligent consideration.

I should like to close with the thought that to-day we are witnessing an unhealthy war boom. Employment is increasing; our factories are busy; some prices are rising and bank loans are on the increase. But this is not prosperity in the sense that we use the term in peace time. Neither is it the solution, for which we have been looking, of our unemployment problem. The solution lies deeper and will require great and fundamental changes for which we must prepare. We are witnessing the passing of an age. We must revamp, reform and revitalize our constitutional, economic and social relationships in preparation for the great task of rebuilding on new foundations a world which at the present time is being subjected to physical and moral deterioration.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, inasmuch as the members of this group were elected on March 26 as New Democracy members I believe I would be remiss in my duty if I neglected to seize the first opportunity to refer in this house to certain recent occurrences.

Mr. Joseph P. Kennedy, United States ambassador to Great Britain who recently returned home, is reported in the Boston *Globe* to have said during the course of an interview:

> Democracy is finished in England. It may be here. Because it comes to a question of feeding people.

This is a rude shock. Have we not been hearing that we are fighting for democracy? Were not the nations on our side incessantly characterized as the democracies, as opposed to the dictators? Was not Britain held up to us as the leader, the bulwark of democracy? Now we hear this! It is true that Mr. Kennedy hastened to explain that his remarks were intended to be "off the record," but that fact will only make them the more significant.

It is well that Canadians should note what Mr. Kennedy was reported to have said of democracy in the United States. In that country there would seem to be dangerous trends. I wonder if our Prime Minister (Mr. Mackenzie King) knew about those trends. I hope that throughout his efforts to bind Canada more and more closely to the United States he has taken and will continue to take adequate precautions to safeguard Canadian democracy.

But there is circulating a malodorous rumour of another sort. Into the October, 1940, issue of *Canadian Business*, that impeccable bulwark of all things orthodox and reactionary in Canada, there somehow crept an article entitled "The U.S. and Us," by one Leslie Roberts, in which we find such passages as this:

> You might also say Britain has been communized, but you certainly could not say she had been Stalinized, and there is a vast difference except to a man who cringes when he sees labels.

And such bold notes as:

> The joint defence plan is more than politics, it presages a new international, industrial and economic order in North America.

and:

> Canada can expect a "communization" such as Britain has seen, although the transition will be more gradual.

and:

Planned production, the standardization and interchangeability of munitions and equipment in both countries is beginning.

So now Canada is to be communized but not Stalinized, is it? Are we to understand, then, that Canada is to be Leninized or perhaps Trotsky-ized? And what is the difference between the brand of communism Canada is to have and the brand that has been so meticulously declared unlawful, which has been so dutifully hunted down and so rigorously punished? How astonishing all this is; how astounding, how utterly bewildering!

Certainly it is time for a new democracy, for a philosophy that knows not only how to talk about democracy but how to recognize it, safeguard it, preserve it and perfect it among men. Perhaps no one has better defined democracy than did Lincoln when he characterized it as government of the people, by the people and for the people. To bring his statement up to date we might specify "what" people, making the expression read: "Government of all the people, by the majority of the people, for the greatest good of the greatest possible number of the people, especially the common people."

There should be at least three kinds of democracy: social, political and economic. Towards each of these three the British peoples throughout the generations have striven fervently and sternly. By insisting upon freedom of speech, freedom of the press, freedom of association and freedom of religion we have made some progress towards social democracy. By establishing the vote by secret ballot, universal suffrage, representation by population, a carefully elaborated system of parliamentary institutions, responsible government and the like, our fathers have attained a fair measure of political democracy. Several pernicious influences, however, have been and are now at work disintegrating our political democracy. These influences fall under two main categories.

The first category comprises economic considerations: fear of the loss of a job or of advancement, fear of the loss of patronage and other similar fears deter many men from voting sincerely. Then powerful interests constantly seek to modify the policies of parties and the behaviour of governments. The second category comprises intellectual and emotional considerations. Propaganda distorts people's understanding and judgment and beclouds the issues in elections. Each year these forces are becoming more and more intense and devastating in subversive effect. Meanwhile life is growing more complex and, to the average citizen, incomprehensible. Political democracy is gravely endangered.

[Mr. Blackmore.]

Economic democracy has been dreamed of and striven for but never achieved in any substantial measure. Economic democracy is fundamental. Without it the other kinds of democracy are becoming more and more futile and will cease to exist. We must have economic democracy.

How to attain economic democracy and so establish it that it will endure is one of the main considerations of our generation. The London *Economist* has envisioned the object to be achieved. It is quoted by the *Western Producer* of October 31, 1940, as saying:

The thirties are over and gone, and the time has come for constitutional guarantees to the right of food, clothing, medical care and education, along with free speech, press and worship.

How to achieve this is the problem. People will insist that it be done. Two plans are developing in men's minds. One of these presupposes a socialistic dictatorship more or less resembling that of Hitler, Mussolini or Stalin. It means the destruction of democracy. The other plan declares that power can be decentralized, that ownership can be decentralized, and that individual freedom and security can be maintained. The great example of this second plan to attain a higher economic democracy and self-government of other kinds is social credit.

I beg leave to move in the following terms an amendment to the amendment which has already been moved:

That the following be added to the amendment:

"And this house further regrets the failure of the government to adopt a monetary policy that would permit a maximum war effort without either increasing debt or reducing the standards of living below that necessary for maintaining maximum efficiency;

Furthermore this house is of the opinion that a continuation of the present financial policy will further destroy the precious liberties so essential to, and recognized as being inherent in a true democracy."

Social credit proposes to use the national credit to provide money without additional debt, without additional taxation. Social crediters maintain that in any well-organized and well-managed state with rich and varied resources, such as we have in Canada, the national credit can and should be used to provide fair prices and adequate home markets for all essential industries.

What a boon to the wheat growers would be the application in Canada of the social credit technique! Without it, as Canadians are now going, our farmers will be destroyed. Wheat growers and other primary producers must have fair prices, involving cost, plus a just profit. They must have markets—if not abroad, then at home, and, if necessary, by

government purchase. The wheat situation in western Canada is an example of how serious the condition is becoming among our producers. At the present time the supply is as follows: According to figures I have obtained we had, before this year's crop was reaped, a carryover of 300,000,000 bushels. The latest estimate for this year's crop shows an amount of 547,179,000 bushels, of which quantity the west produced 540,000,000 bushels.

With regard to markets, in our domestic market and under the present system Canada can use 140,000,000 bushels. Great Britain will probably take 150,000,000 bushels, and others will take 30,000,000 bushels. The carryover will, as everyone knows, be the largest in history. What does this mean? In the west, alone, 300,000 farmers will be affected, and the condition will affect more than 20 per cent of Canada's export, 25,000,000 of Canada's best acres and two billion dollars of investment. When we consider the whole of Canada the figures become much more impressive than the ones I have placed on record.

What is the storage situation? Canada's storing capacity, including terminals, is estimated at 425,000,000 bushels. The line elevator companies and the wheat pool, by constructing additional bins, are estimated to be about to supply space for 25,000,000 bushels more. That is not enough. The result is that we have a most deplorable situation. I have seen huge quantities of wheat, wheat upon which this country may be dependent for its very existence, heaped in roadside ditches, piled up in the fields, in danger of wasting.

That is not all which concerns the western farmer. It seems that few people realize that there is a rapidly rising secondary price structure. According to the Searle letter of October 23, 1940, prices of the 147 commodities western farmers buy have risen, since 1914, as follows:

	Percentage of increase in price since 1914
	Per cent
Groceries	22
Clothing	33
House equipment	66
Farm equipment	44
Farm machinery	67
Municipal taxes	74

The whole 147 articles sent out in the Searle index now cost on an average 42 per cent more than they did in 1914.

According to the same letter, since the present war broke out the cost of articles the farmer must buy has risen on an average of 8 per cent. The following are some specific increases:

	Percentage of increase in price in last 12 months
	Per cent
Groceries	14
Clothing	7
Household equipment	11
Farm equipment	7·5
Farm machinery	7
Municipal taxes	2

These index figures indicate increased cost of absolute necessities for living and producing. It is impossible for the average hon. member sitting in comfort in this chamber, without knowledge of the situation confronting those farmers, to realize even remotely how serious the picture has become. The Searle index shows that the actual cost of living of farmers has risen more in the first year of this war than it did in the first year of the last war. The index points out that one bushel of wheat now has only 54 per cent of the purchasing power it had in 1913 and 1914.

With wheat at such a ruinous level, so far as its purchasing power is concerned, imagine the tragic plight of the farmer, with his grocery bill, gasoline bill, repair bill, taxes and a wide variety of other bills still unpaid, in a position to sell only part of his crop! Imagine the plight of those who trusted him and supplied those commodities! Imagine what will happen to his credit next year when he undertakes to put in another crop! Who will advance him the gasoline? Who will trust him for repairs to machinery? What effect will that condition have on Canada's productive power next year? Imagine what is happening to those who would have sold to him! And this is a consideration which affects eastern Canada particularly.

Let it be borne in mind constantly that when the western farmer cannot buy, the eastern producer cannot sell and cannot obtain payment for the commodities he has already sold. If eastern producers cannot sell, then those same eastern producers cannot continue to produce. The economic strength of Canada is impaired to the extent to which production falls off.

Mr. BLAIR: What about the eastern farmer?

Mr. BLACKMORE: The same thing applies to the eastern farmer. I happen to come from the west. If I came from the east I would speak for him. But I do not see why other hon. members do not say more for the eastern farmer.

All these considerations are very bad for Canada's morale. Whether or not hon. members are aware of it, the people who are out on the economic, home battle line are aware of it. Failures like this do not give men confidence in democracy. This is the very kind of thing which is creating in the minds of the people of Canada a mental and emotional attitude likely to result in some sort of rash, ill-considered action.

Failures like this are unnecessary.

Let us look at Britain. I find that in the Ottawa *Citizen* of November 8, Lord Beaverbrook's weekly, the Sunday *Express* is quoted as follows:

> Must we be ruined in order to win this war? Is it necessary that we impoverish ourselves for a generation in our drive to victory? These are the questions that many men ask to-day. The answer is—no! The wealth of the nation does not consist of its capital in terms of money. Its wealth is contained in the capacity of its population to labour and produce goods for consumption.

Canada's capacity to produce is simply unpredictable. She can produce great quantities of a wide variety of commodities, to such an extent that she can become virtually self-sufficient. We are ready to grant that she might not be able to supply the people of Canada with the lemons they need, but the British people have been told that they cannot have many lemons. They have also been told that perhaps they may not be able to have many onions and eggs. Our people can have plenty of onions and eggs, and they can have plenty of a wide variety of other commodities. There is no reason under the sun, except stupidity and mismanagement, why the people of Canada cannot have these things.

What can be done about the situation? In the first place, we are not going to solve this problem by taxing the people to an extent where they cannot buy, by taxing them to an extent where they cannot produce, or by neglecting them to an extent where they cannot produce. I would point out that policies which we social crediters have been urging in this house for five years have apparently been proved to be sound. At least the government is condescending to do some of those things which we have been urging them to do.

Let us consider the matter of created money. What an all-wise attitude was taken by some people when reference was made to the creation of money! It was said that it could not be done. But we find in the *Financial Post* an article by Professor A. F. W. Plumptre, who must be a model of orthodoxy. This is

dated October 5, 1940, and deals with the topic of "putting over the next war loan." I read the following significant words:

> There are some general matters of theory which must be kept in mind in preparing for the next war loan. It must be remembered, primarily and seemingly paradoxically, that the government's object is not to get money but merely to reduce the public's spending.

Will someone put that together with the western wheat situation, and make sense? I should be glad to see that done. Will someone put that along with the onerous tax structure which has been placed upon us and which is impoverishing the people, and make sense? He continues:

> The government can always "get money" because it may, as an alternative to borrowing or even to taxation, create the required funds. This it can easily do nowadays through the leadership of the central bank and the co-operation of the chartered banks. In this way 200 millions were created in this fashion last autumn.

If $200,000,000 were created, what consistent excuse can be given by this government for allowing that $200,000,000 to be registered as a debt against the Canadian people? If that money was created, beyond any question it belongs to the Canadian people and the Canadian people have a right to be relieved of the burden of having that $200,000,000 charged against them as a debt and of having to pay interest thereon. If $200,000,000 can be created, the ordinary man on the street will say, "Why not more than $200,000,000?"

This question raises the bogy of inflation. Many people will contend that it will cause inflation. Why will it cause inflation? If the creation of $200,000,000 did not cause inflation, will hon. members tell me why the creation of $205,000,000 must of necessity cause inflation? There must be some reason for stopping at this point. What is the reason? What is inflation? I should like to trouble the house by citing a statement which I think will help to guide us in our conception of inflation. I do not think there is a word in the English language concerning which more tommyrot has been talked than "inflation." One of the gravest charges that can be laid against the Liberal government and the Liberal party is that they have contributed to the general confusion regarding inflation. I should like to quote from "Basic Principles of Constitutional Money" by Etta M. Russell. This is a textbook for high schools and the general public, copyrighted in 1940 by the constitutional money league of America, Washington, D.C. I quote from page 47:

> Here we must first acquire a very clear idea of what inflation means. On March 21, 1939, Governor Eccles of the board of governors of the federal reserve system, gave a very clear

definition, in testimony given before a committee in the United States senate. In answer to the question by the chairman—"What do you call currency inflation?" Mr. Eccles replied, "To me it would mean where the supply of money, bank deposits and currency, in the hands of those who spend that money, is greater than a country's ability to produce the goods for the market. It would be a condition of overemployment, a condition of inability to produce the goods so that the supply of money in the hands of those who spend it, is in excess of a country's ability to supply the demands."

This definition and explanation should be read and reread in the light of present conditions.

I contend that if that definition were read and reread by the members of this house and the members of the administration they would begin to see a way out of our predicament at an early date. Does Canada lack the ability to produce goods? We hear about a surplus of wheat, and about a surplus of beef. Something has been said about a surplus of apples. If we took the trouble I know we could find that there are surpluses of a number of other commodities. We could find in this country the productive ability, the application of which would produce great surpluses. Why deny the people the use of these commodities in order to stop them from using too much? Of what goods have we a shortage? Of what goods is there a danger of a shortage developing? If we can find that out, then let us start to work to remedy these possible shortages. Of 147 articles which the Searle index listed as being used by the western farmer, 139 are produced in Canada and only eight have to be imported from outside. Surely that must have great significance for us in this crisis.

Inflation can be controlled, and there are several ways of doing this. We must remember first of all that inflation is a rise in prices which results from having more money in circulation than there are goods to be purchased. Inflation can be controlled by employing credit restriction. That is what this government has been doing for years and years. Another way is by taxing the people until they have no money to spend. This is a way very dear to the heart of the present government. Another way is by price fixing. This can be done by setting a point beyond which a commodity price cannot rise. It can be done by the government paying part of the cost of the article. Great Britain is spending £60,000,000 annually in order to keep down the prices of staple foods to the poor. This will be found on page 304 of *The Economist* of September 7. Great Britain is commencing to use the principle of the just price which was condemned when it was advocated by social crediters. And the degree to which Britain safely solves her economic problem will be the degree to which she accepts other principles of the social credit doctrine, just as sure as we are in this house.

There are other devices by which a government can prevent inflation. It can establish quotas. Is it afraid that the people are going to buy too many radios, too many silk gloves or too many coonskin coats? Then let it just set a quota on these articles, a limit beyond which people may not buy them. Let it not tax the people so much in order to keep them from buying coonskin coats that they cannot buy bread and butter. Where is the sense in that? It is absurd. But that is largely the kind of policy which this government is following to-day. Again a government can ration. The government rationed in the last war. It rationed sugar and a number of other commodities. So, if there is danger that we are going to have too big a demand for the supply of certain goods on hand, why not ration? But do not raise the price by taxation.

Further, we can manufacture substitutes if we can only be assured what commodities we are likely to run short of.

It is positively dismaying to listen to the radio talks and read the newspaper editorials about how we must tighten our belts and deprive ourselves. Yet no word do we hear of what we have to deprive ourselves. Let it be borne in mind that if the Canadian government takes 25 cent pieces and dollar bills away from the people, the people are going to be able to buy less of bread, less of cake, less of pie, less of cookies, and less of other commodities which are made from wheat, and all that will still further cut down the market for our wheat. Such is manifestly an absurd procedure. It accomplishes exactly the opposite of what ought to be brought about. If the government has discovered what commodities we are likely to run short of, why not advertise that fact in all these radio talks that are going on, so that people can refrain from buying those particular commodities?

Another action possible is to increase the production of needed commodities. Too few people realize that there are two general ways of dealing with inflation. You can either cut down the amount of money in circulation or increase the supply of goods in circulation. There is no danger of a rise in the price of wheat or potatoes or bread, or milk perhaps. Why? Because there is plenty of these goods. Then let us have plenty of other commodities so that there will be no danger of inflation with respect to them. Let the government deal with inflation realistically, instead of talking so much nonsense about it, as so many are doing to-day over the radio and in the newspapers. There is material coming over the

radio and through the propaganda machine to-day which will be a disgrace to the sponsors of it ten years from now.

The government can increase production by loans to producers. It is advancing, and quite generously, I read, money to concerns which are to build munitions factories and other means of producing the goods that we shall need in this war. There is nothing wrong with extending the application of that principle to include the producers of any other commodity, watermelons, for instance, if we wish to have more of them.

Again, why not give assistance to both the producers and consumers of goods? Why not bonus home production? Already the government is paying, I understand, a bonus on choice cheese, and that is a sound way of stimulating the production of choice cheese. Why not try bonusing the production of any other commodity that we are in danger of running short of?

People may ask, where will the money come from? Let those people read Professor Plumptre and then try to get sense out of their question. We can bonus the producers. Why not, for example, bonus the producers of our sugar? I have time and again on the floor of this house urged that our beet sugar industry should be assisted by way of bonus, but I never hear of anything being done about it. Why not do it if there is danger of a shortage of sugar? Why not bonus if there is danger of a shortage of oil and of each of a wide variety of other products?

Why not grant the consumers a bonus as we do in Alberta through the Alberta treasury branch? It would, I know, be a disgrace for this government to adopt any monetary policy advocated in Alberta. But the time may come when men will yet go to Alberta for instruction. They may find that there is still good to come out of Nazareth.

Why not bonus both producers and consumers by providing cheaper freight rates; for example, by extending and increasing the subventions on coal to other commodities so that Alberta wheat, for instance, may be sent out to British Columbia chicken producers? Why not? Men are tremendously worried about the surplus of wheat, but one hears of no attempt being made to modify the freight rate structure to enable our Alberta wheat to move more cheaply to the egg producers in British Columbia. Freight rates would be the first thing a common sense administration would think of. Why not remove the sales tax on certain desired commodities; why not have a tariff exemption on certain essential raw materials and component parts required in the production of commodities the supply of which we wish to increase?

[Mr. Blackmore.]

All these measures would tend to prevent inflation by increasing the supply of goods. Other means of preventing inflation would be to encourage investment and production by fair remunerative prices, by assuring the producers of immunity from injurious taxation and from destructive changes in tariff policy.

I suggest to the government that it study social credit proposals. Solutions for the ills of the world have been discovered in less reputable sources in times past. Let the government learn the truth about social credit and then through its elaborate propaganda machine, always at work, tell the Canadian people the truth about social credit. Tell the people what inflation is, and what causes it, and how it can be prevented. Tell the people the cause of the adverse exchange rate on our Canadian dollar. Tell them what economic nationalism really means. Tell them why nations with a shortage of resources have resorted to economic nationalism and will continue to resort to economic nationalism as a measure of self-preservation. Tell the people the truth so that they will know these things. Why not tell the people of the real productive power of Canada with respect to the various commodities of Canada? Why not tell them of the real consumptive power of Canada? If that is done, the people will be ready for the introduction of social credit.

When we have sound economic production, sound economic consumption and a sound economic price structure in Canada, we shall be well on our way to the introduction of the much maligned system of social credit. Social credit is just common sense in action. Then and only then, when the government introduces those three things, sound economic production, sound economic consumption, and a sound economic price structure, can Canada contribute to the maximum, of her glorious power in defence of her heritage, her people, her empire and her king.

Mr. MACKENZIE KING: Perhaps the house will permit me to make a statement which I believe will be of intense interest to all, and in so doing to follow the example of the Prime Minister of Great Britain, who interrupted the proceedings of the British House of Commons to-day to make the statement which I wish to quote.

NAVAL ACTION IN MEDITERRANEAN

SUCCESSFUL ATTACK ON ITALIAN FLEET AT TARANTO—STATEMENT OF BRITISH ADMIRALTY —MR. CHURCHILL'S COMMENTS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, in the British House of Commons to-day Mr. Churchill

read a communique from the British Admiralty. In doing so he said:

I feel it my duty to bring this glorious episode to the immediate notice of the house. As a result of a determined and highly successful attack which reflects the greatest honour on the fleet air arm, only three of the Italian battleships now remain effective.

This result, while affecting decisively the balance of naval power in the Mediterranean, also carries with it reactions upon the naval situation in every quarter of the globe.

The following is the Admiralty's statement. It is now appearing in the evening papers:

The Royal Navy has struck a crippling blow at the Italian fleet, the main units of which were lying snuggling behind their shore defences in their main base at Taranto.

On the night of November 11-12, aircraft of the fleet air arm carried out an attack, the results of which have now been established by photographic reconnaissance.

It is now known that one battleship of the *Littorio* (35,000 ton) class is badly down by the bows, that her forecastle is under water, and that she has a heavy list to starboard. (The *Littorio* and *Vitorrio Veneto,* only recently commissioned, are among the most powerful battleships in the world.)

One battleship of the *Cavour* (*Conte de Cavour,* 23,622 ton) class has been beached and, from her stern up and including the after turret, is under water. The ship is listing heavily to starboard.

It has not been possible to establish the fact with certainty but it appears probable that a second battleship of the *Cavour* class also has been severely damaged. (Italy has four battleships of the *Cavour* class.)

In the inner harbour two cruisers are listed to starboard and are surrounded by oil fuel. Two fleet auxiliaries are lying with their sterns under water.

The total strength of the Italian battle fleet was six battleships, two of the *Littorio* class, which have just been put into service, and four of the recently reconstructed *Cavour* class.

As a result of this determined and highly successful attack probably only three Italian battleships now remain effective.

It will be recalled that the Italian communique issued on the 12th of November admitted that one warship had been badly damaged. The Italian communique also claimed that six of our aircraft were shot down and three more probably shot down. In fact only two of our aircraft are missing, and it is noted that the enemy claim that part of the crew have been taken prisoner.

On the night of November 9-10 a successful bombardment was carried out on Sidi Barrani. The fire was returned by shore batteries, but our ships sustained no damage and no casualties.

The Mediterranean fleet have also continued to harass the Italian army communications in Libya.

It is also reported that one of our submarines has recently attacked a convoy of two supply ships escorted by a destroyer. As a result, one heavily-laden ship of 3,000 tons was sunk and a second ship certainly was damaged, and probably was sunk.

After reading that communique Mr. Churchill concluded with these words:

The spirit of the Royal Navy, shown in this daring attack, is also exemplified in the forlorn and heroic action fought by the captain, officers and ship's company of His Majesty's ship *Jervis Bay* in giving battle against overwhelming odds in order to protect the merchant convoy which they were escorting and thus secure the escape of by far the greater part of the convoy.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed consideration of the motion of Mr. Brooke Claxton for an address to His Exellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Hanson (York-Sunbury), and the amendment to the amendment of Mr. Blackmore.

Mr. J. T. THORSON (Selkirk): I am sure that every hon. member will be greatly heartened by the splendid news which the Prime Minister (Mr. Mackenzie King) has just announced, the great victory of the Royal Navy, and I am equally sure that every hon. member rejoices in the fact that we meet in this session under much more favourable circumstances than those that faced us at the beginning of the last session. At that time the nazis had just overrun the low countries, Denmark had surrendered without a struggle, Norway was being crushed into submission, and the fall of France was imminent. We felt one shock after the other and we were dismayed. The dramatic evacuation of Dunkirk, followed by the tragic fall of France made the defence of Great Britain itself a matter of intense concern. Dramatic events took place quickly in Great Britain, which fast became an island fortress. We were dismayed in Canada. There was anxiety here that our war effort was not adequate. The government had been elected, in the main, I believe, because the people of Canada had confidence in the administration and felt that it would give Canada a wise and careful administration of its war effort. That war effort had been geared to the war effort of Great Britain, which had been conducted in an orderly and somewhat leisurely manner. The dramatic turn of events in Europe changed all that. It changed the course of events in Great Britain. The anxiety that was felt in Canada was reflected in this house in the spirited criticism that came from hon. members opposite. The government of Canada made rapid decisions. It took one step after another in quick succession. It rapidly increased the size of the army and the navy.

It accelerated the British commonwealth air training plan, it made provision for the mobilization of the man-power and the material resources of the country, it provided for national registration, which was subsequently carried out with great success, and stepped up the arrangements for munitions and supplies. I think it may safely be said that the government came out of that session in as good command of the situation as could reasonably be expected. I think also that some measure of praise is due to hon. members opposite for the part they played in bringing about that result for their criticism of the efforts of the government had its due effect. I am confident that the end of the session saw the Canadian people with confidence in the administration of the country and conviction that the government was doing its utmost to meet the needs of Canada in the discharge of its national duty.

In this session we meet under much more favourable circumstances, although the war outlook is still grim and ominous and victory is not yet in sight. I am free to confess that personally I feel a great deal happier over the war prospects than I did three months ago. This is due in large measure to two great events that have taken place. The first is that the battle of Britain, and particularly the battle of London, although not yet over, have resulted in a major nazi defeat. The world has seen great exhibitions of heroism and courage in the course of its history—the Spartans at Thermopylae; the great French at Verdun; the Canadians at Ypres. But the world has never seen a greater exhibition of fortitude than that displayed by the civilian population of London during the past two months. If there is one predominating thought in the mind of every member of this house it is one of profound admiration of the grim determination and splendid morale which the people of London have displayed in the face of the most savage and ruthless attack that has ever been made in the history of the world upon a great city. The people of Great Britain have shown that the nazis cannot successfully invade that island. They have shown that there are definite limits to the nazi might. The Germans are not invincible. One phase of the war, the possibility of an invasion of Great Britain, has to some extent been concluded.

The second great event is the formulation of a joint defence policy by the United States and Canada and the changed attitude of the people of the United States to the war and their fixed determination to give Great Britain "all aid short of war." By reason of that change of attitude in the United States that country has now become a great potential reservoir of victory for our cause, and for their cause as well for there is a growing realization in that country of the fact that the battle for civilization cannot safely be left to this hemisphere, but must be fought in Europe, where the enemies of civilization exist. There have been strong critics of the Prime Minister in his long period of public life, but no one will deny him his fair measure of praise for the splendid part that he has played in promoting friendly relations between Canada and our great neighbour. We are deeply grateful to the United States for the assistance that it has given and for the assistance that it is still to give, and we are thankful—I think I can say this in the name of the whole Canadian people—that we have in the present Prime Minister a leader who can be relied upon to preserve and promote the strong and growing feeling of friendliness and common purpose which exists between our country and our great neighbour.

These two events of which I have spoken have given the people of Canada a strong feeling of personal security; for we have now two definite lines of defence. The first line of defence is in Great Britain, and that line has not yet been broken; indeed it is stronger to-day than it was five months ago. But we have also a second line of defence, on this hemisphere, in our alliance with the United States, with its great power of mass production, and the splendid spirit of its people, who have never yet been defeated. Both of these lines of defence must be retained by the people of Canada; for both are of incalculable value to us.

Our own war effort has made rapid progress. Our army and navy have been increased in size and efficiency, and our commonwealth air training plan has been rushed forward with surprising and gratifying speed. I need not dwell on this subject, for particulars have already been given by the Prime Minister and more particulars will be afforded by the government as this debate proceeds.

But there is one aspect of the present situation which does cause me some concern and I deem it my duty to deal with it. It is absurd to say that the sense of personal security of which I spoke a moment ago was deliberately created by the government or that the sense of security is really false. A sense of security does exist by reason of the facts that I have mentioned, and it is worth having; but there are some dangers involved in it; for I am afraid that there is not even yet a sufficient realization in this country of the supreme necessity on our part of safeguarding and maintaining our security. It is quite true that serious warnings have been given, both by Mr. Churchill in Great Britain

and by our own Prime Minister, but the fact remains that Canada has not yet really suffered from the war.

Apart from war casualties, and fortunately they have been comparatively few, no one thus far in Canada has really been hurt by the war. The financial volume of business in this country reached in September its highest point in twenty years and employment in industry reached its highest level in the same period. Very few people in Canada are worse off than they were before the war, and countless thousands of persons have found their financial positions greatly improved. The impact of tax increases has hardly yet been felt. The cost of living has not greatly increased. Indeed, at the moment, we are in the midst of an exhilarating war construction and industrial expansion boom.

I think that this feeling of personal security had something to do with the slowness of the Canadian response to the war loan, but it would be absurd to say that the war loan was a failure. Nevertheless, the people of Canada are not yet as fully conscious as, in my opinion, they ought to be of the necessity of making the utmost personal sacrifices to ensure the continuance of the security which they now enjoy. Such warnings as the Prime Minister gave last night must be continually emphasized. While we are happy that the threatened nazi invasion of Great Britain has failed, every responsible person knows that there are grim days ahead, that there is serious danger involved in the intensified nazi submarine campaign, and that war-weariness is bound to bring about some reduction of morale. It is one thing for Great Britain to avert defeat by staving off an invasion, but it is quite another thing to accomplish victory. Great Britain will need every possible assistance that we can give her, and it is our solemn duty as a freedom-loving nation to give her our maximum aid.

For this reason we, as members of parliament and representatives of the people, will wish to know, not only what progress has been made with our war effort—and we are proud of its increasing momentum—but, what is perhaps even more important at this stage of our war effort, we will wish to be informed as to what has not yet been done and what must still be done. Are there any deficiencies in our war effort? If so, what are they and what steps can be taken to remedy them? Are we running short of efficient man-power in our war industries? If so, what efforts are being made to train men for special purposes? Is our war effort being restricted in any manner by financial considerations? If so, in what respect and how can these restrictions be removed? I suggest that it is on such matters as these that we should concentrate our attention this session, and I am confident that if we do so the government will emerge from this session, as it did from the last one, with confidence on the part of the Canadian people that it is doing its utmost to discharge our national duty.

I said that I felt much happier over the war outlook than I did three months ago. Confidence in our ultimate success is essential, but excess of confidence and the taking of victory for granted have elements of danger that may well impede the success of our war efforts. The realities of the grim struggle in which we are engaged and the necessity of making every possible sacrifice must be continually placed before our people. I do not say that we should deliberately seek to create fear in our people, but it seems to be a fact that in all great conflicts nations make their strongest and most successful efforts when they are most hard pressed. Confidence of victory is valuable, but fear of possible disaster is an even more powerful incentive to united effort. It was fear of an invasion of Great Britain that stirred the people of that country to a united and determined war effort which has challenged the admiration of the world. It was fear of the possible destruction of Great Britain and the invasion of this hemisphere that brought about a changed sentiment towards the war in the United States and created their determination to give Great Britain all aid short of war. These facts should not be forgotten, and our own people must be kept continuously alive to the realization that an excess of optimism is dangerous. Victory for our cause is made more certain by a continuing realization of the appalling consequences of defeat and the necessity for the utmost sacrifice on the part of our people to prevent it.

In addition to making this country more conscious than it is at the present time of the grimness of the struggle in which we are engaged, in my opinion it is also necessary to embark immediately upon a programme of national reform which will at one and the same time accomplish two definite purposes: first, enable Canada to make its maximum contribution to the aid of Great Britain by removing any impediment to the success of our war effort that may exist in our national structure; and, second, at the same time lay the foundation for a strong Canada that will enable us to withstand the strains of the post-war period and prove to the people of Canada that democracy can work and is worth fighting for

It would not be possible or desirable at this stage to elaborate the particulars of

such a programme of national reform, but its outlines may be roughly sketched. In the first place we should establish a proper financial structure for this dominion and its provinces which will enable them to perform their respective functions with efficiency and economy. Second, we should ensure proper relations between industry and labour so that Canada may become a truly great industrial power. Finally, we should establish a policy for primary industry in Canada that will enable our primary producers to continue efficiently the production of the basic wealth of this country.

In this connection I hope that at a very early date the government will give this house an opportunity for a special debate on our wheat problem, with the house in committee of the whole. I urge that this debate should take place before the house rises for the Christmas recess, so that a carefully thought out wheat policy may be announced as early in the new year as possible. In my opinion such a debate would be preferable to a random discussion of the wheat question during the course of this debate.

Much of the programme of national reform which I suggest is contained in the recommendations of the royal commission on dominion-provincial relations, in what is called the Sirois report. I strongly recommend the recommendations contained in that report and sincerely urge their adoption at the earliest possible date. I was deeply stirred by the quiet announcement made by the Prime Minister that he had invited the premiers of the provinces to attend a conference here in Ottawa some time in January, and I read with interest his letter of invitation to the premiers with his indication of the government's approval of the report. I am glad to learn that all the provinces have indicated their intention of being represented. I sincerely hope that this conference will be successful, for I am convinced that the adoption of the recommendations and their implementation by the necessary legislative and administrative action will constitute the greatest act of Canadian statesmanship since confederation itself. At the same time it will serve the twofold purpose of increasing the efficiency of our war effort and establishing the foundations for a greater and stronger Canada, of which every Canadian may be justly proud.

In the short space of time at my disposal it would not be possible even to summarize the recommendations contained in the Sirois report. The main ones have to do with financial adjustments as between the dominion and the provinces. A very brief summary of these financial recommendations appears on page 86 of volume 2 of the report. I find it difficult to restrain my language in expressing my appreciation of this report and the splendid principles upon which it is based. I believe it to be the oustanding Canadian document since confederation. It is likewise a human document; for it is concerned with the welfare of the people of Canada as a whole, through the maintenance and expansion of the national income and its better distribution for the purpose of providing a greater measure of social and economic security. The report realizes the need for national unity in this country. It is a great unifying document for Canada, but it does not in any sense propose any centralization of authority. It stresses the need of a national minimum standard of social services in Canada as essential to national unity, but it fully respects the federal system and completely preserves provincial liberty of action in spheres which are primarily cultural and social.

In my opinion the commissioners have successfully carried out the instructions that were given them, and we should be deeply grateful to them for the careful study which they have made and particularly for the singleness of purpose that runs through almost every line of the report: concern for the welfare of the people of Canada from coast to coast. They have in true reality recaptured the spirit of confederation itself. This is a great reconfederation document, applying the principles of confederation to the changed needs and conditions of to-day. The commissioners also stress the necessity of continued and increased cooperation between the dominion and the provinces. They do not conceive of the provinces of Canada as nine separate, independent entities but rather as nine provinces interdependent upon each other and bound together by one bond, the bond of Canada.

It has been urged that we should defer consideration of the report until after the war. I do not agree with this point of view. This country will be put to severe financial strains before this war is over, and we shall have to eliminate every financial obstacle that stands in our way. If our financial structure was utterly inadequate for Canada in time of peace, it is even more necessary now than it would be in peace-time to make the changes recommended by the report. They are essential to the success of our war effort, and I sincerely hope that when we are summoned again in the new year one of our major tasks will be the necessary legislative and administrative action to implement the recommendations of the Sirois report; for I am confident that if we do that a new era for Canada will begin.

The speech from the throne is a unique document in that there is no reference in it to any specific legislation. The whole speech centres upon the Canadian war effort, and ends with a pledge for the prosecution of the war to the utmost of our strength. This is singularly appropriate at this session; for nothing must be allowed to detract our attention from our war effort. There is no country in the world more fortunately situated than Canada is to-day. I wonder how many people in Canada really appreciate the blessings that we enjoy. But Canada must be prepared to pay the price for its continued security. We must ensure the continuance of the personal security that we enjoy, and there is no premium of insurance within our power that is too high to pay.

There is one other note I should like to sound, and that is the need for the highest degree of national unity. Canada will need the aid of all Canadians, not only those of British origin, but also those of French origin and those whose origin is neither British nor French. Mr. Speaker, may I remind you of the fact that approximately half the people of Canada are not of British origin? Those people are not tied to Great Britain by ties of blood, but rather because of the principles for which Great Britain stands—personal freedom, liberty, and regard for the sacred rights of human personality; indeed these are the rights for which we fight. All of us are proud, regardless of our origin, to be associated with Great Britain in her heroic struggle, and we must not fail.

I should like to associate myself with the eloquent pleas made by the hon. member for St. Lawrence-St. George (Mr. Claxton) and the hon. member for Provencher (Mr. Jutras) for a sympathetic understanding and appreciation of the different points of view that exist in Canada, knowing that the people of Canada can be and are bound all together in one unity by the common tie of Canada.

In the special war session of 1939 I had no hesitation in urging Canada's participation in the war to the utmost of her capacity. I felt it my duty to speak on that occasion by reason of certain views that I had previously strongly expressed. I spoke in the course of that debate as one who has sometimes been described as a "pacifist," and some of my friends have twitted me on what they have described as a change of heart. No change of heart has taken place. There is still honour in the term "pacifist," as I understand it. A great pacifist has passed away in Great Britain. He believed that it was his solemn duty, as the leader of his nation, to keep his people free from war and to hold them on the path of peace as long as peace was possible; that the maintenance of peace was his sacred responsibility, unless some issue greater than peace itself was involved. Perhaps history will be kinder to him than we have been during the past few months, and will honour him for the nobility of his purpose, in spite of the fact that his efforts met with failure. I am still a pacifist, in the sense that I have described, but love of peace must give way when an issue greater than peace is involved. Therefore I had no hesitation in voting for Canadian participation in the war, in the special war session of 1939; for an issue greater than peace had emerged. Indeed, the cause of humanity itself was in grave peril.

I conclude, Mr. Speaker, with one other note. I spoke in the special war session as a Canadian. I do so again. During a long period of schooling both in this country and in England, and both as a student and as a teacher, I have watched with pride the growth of Canada as a nation. When I was privileged to enter this house first, some fourteen years ago, it was my hope that I might be able to make some contribution to the development of the great country that has been kind to me, and has given to me the great opportunities that I have been privileged to enjoy.

I have always been an ardent admirer of the institutions and traditions that we have inherited from Great Britain, with their emphasis on freedom, and liberty, and the right and duty of self-determination and self-development. Perhaps I come by that admiration naturally, by reason of the fact that I inherit by racial origin, a longer tradition of personal liberty and freedom than is enjoyed by any other member in this house.

I have often spoken in this house on Canadian matters, relating to the development of Canadian nationality, on our equality of status with other nations of the British commonwealth, of the desirability of separate representation of Canada abroad, of our right and of our duty to determine all issues of policy, whether domestic or external, for ourselves—even the supreme issue of peace or war.

We have now seen Canada emerge from her former colonial status to that of full nationhood. When we entered this war, independently as we did and of our own free will as a free nation, we passed the greatest milestone in our history as a nation. I have always believed in the development of Canada as a nation. I have always shared the views—and I have never hesitated to express them—that were put forward by Sir Robert Borden when he said that Canada could not truly fulfil her destiny short of sovereignty. When we entered the war we assumed great

responsibilities. I had a feeling of personal pride in the course that we took; for I had urged in this house, in the face of considerable opposition, that Canada must exercise freedom of choice in the supreme issue of peace or war and I was confident that she could always be trusted to face each issue as it arose in the interests of the Canadian people. I was not disappointed in that faith.

I am supremely confident that after this war is over there will be a great surge of truly Canadian sentiment in this country, and that the prophecy of Sir Wilfrid Laurier that this century belongs to Canada will ultimately be fulfilled. I am jealous of the honour of Canada as a nation. When this war is over I would not want anyone to be able to say that Canada had entered the war as a nation but had failed in her national duty; that she had promised her utmost aid to Great Britain but had failed to give it. There must be no blemish upon our national honour. It is our solemn and sacred national duty to carry out the pledge contained in the speech from the throne. Therefore, as a Canadian, devoutly proud of my country, I pledge my utmost support toward a maximum Canadian war effort in aid of Great Britain in her heroic and magnificent struggle for the cause of civilization.

Mr. GEORGE S. WHITE (Hastings-Peterborough): Mr. Speaker, since the last time I appeared in this house I have been serving as adjutant of the second battalion of the Hastings and Prince Edward regiment, having enlisted on June 29. Notwithstanding what has been said to the contrary, I did not receive my commission from this government. I received my commission in August, 1930, and since that date I have been actively connected with the Hastings and Prince Edward regiment. I have held my present rank for over five years and was adjutant of the battalion long before the war. I trust hon. members will pardon me for making these personal remarks, but I do so in order that no one in this house will think I have received one of these lightning promotions of which we hear from time to time.

At the time of the formation of our battalion there were two officers at headquarters —the colonel and myself. Since July 1, I have seen our unit expand until at the present time there are over 900 all ranks, without taking into account those who have recently been attached to the unit on paper only from the training centres. During this period I have observed many things first-hand of which the public are entirely ignorant or in connection with which they have been misinformed. I should like to assure the Minister of National Defence (Mr. Ralston) that while some of my remarks may be critical, I offer them in the most friendly manner as constructive criticism. I also hope to be able to offer to him and the government some suggestions which may tend to overcome many of the objectionable things which are now inflicted upon our military forces.

I had looked forward with much interest to the address of the Prime Minister (Mr. Mackenzie King) which he delivered yesterday because I had hoped to learn more of our war aims, but I was disappointed. As a review of historical events, both ancient and modern, his speech was splendid, but that is not what the people of Canada are demanding to-day. The people want to be told in plain, simple language the military objectives of this government. They want to know by what plans the government aims to arrive at these objectives. The time has long passed for flowery adjectives and fervent statements of loyalty. Surely it can be taken for granted that every hon. member is a loyal British subject. It should not be necessary for them to try to outdo each other in allegations of extreme loyalty. Let the actions of hon. members speak for themselves. The people of this dominion are quite able to judge whether or not this government is doing all that it should in the prosecution of the war.

Let this government give the public the true facts of our war effort without this continual window-dressing. The Prime Minister is a lawyer, but he had a very poor case to present in his speech yesterday. Like a skilful lawyer addressing a jury, he skated round his subject very carefully. He used eloquent language and made obscure references to the real points of the case. He criticized the leader of the opposition (Mr. Hanson) at some length for his use of the words "lull" and "soothe". Yet the Prime Minister in referring to the manufacture of planes in Canada stated that the output had been increased two or three hundred per cent. This sounds marvellous, but how much better it would have been if the Prime Minister had said that in July or August of this year the output of planes was two, four or five planes, or whatever the correct figure is, and then made the comparison with the output in September or October of this year.

The Prime Minister paid a tribute to the non-permanent units, but he failed to give any outline of the future of these units. The rumour persists at the present time that these units are to be demobilized. Their training period will be ended this month. He also

paid a tribute to the manner in which the national registration had been carried out. I remember, however, that in June I pressed the Prime Minister on two different occasions to state whether or not there would be a registration before any young men were called up. It was only after this matter had been pressed quite strongly that we were able to get the information that there would be a national registration before any young men were called up under the Mobilization Act.

I say again to the government: Let us have the plain facts. How many divisions is it intended to raise in Canada? What does the government intend to do about altering the present set-up of the training centres? Why not tell the exact truth about the production of war materials? We should be told why we have not the machine guns, rifles, ammunition and the dozen other essential commodities necessary for the training of a 1940 army. If an offensive starts in Europe and our casualties are heavy, have the necessary precautions been taken to supply the first division with trained reinforcements? Every man who has been connected with the militia knows that for each man in the front line there must be five to seven men back to the recruiting office in order to keep him there.

I do not expect miracles to happen in connection with the training of men or the production of equipment. In the short time since I have been adjutant of my unit I have come to realize the many difficulties that beset the officers in forming and looking after a unit of only 900 men. At the same time we must remember that to-day we are in the fifteenth month of the war, and surely at this date there should be a sufficient supply of the essential war materials. Perhaps the Minister of National Defence will tell us when he speaks just how many Bren guns are being manufactured to-day and how many have been manufactured to date. This government, and this government alone, must assume responsibility for the present state of equipment of our armed forces. In England Mr. Churchill frankly tells the nation what is being done. He does not paint glowing pictures. Only a short time ago in a speech he offered the British people tears and sweat and dark hours, but here in Canada this government has seen fit to attach to many of the departments highly paid propaganda writers who colour the news and release only comments and opinions which are favourable to the government, so that anyone reading their reports in the press is led to believe that we are making marvellous progress, that there is nothing to fear, that Canada is going in high gear. All I ask the government to do is to present the true picture, to tell us exactly where we stand in the matter of production to-day.

At the very time our non-permanent active militia units were called up in June of this year, conditions looked very black in Europe. Up to that time there had been no shortage of recruits for the Canadian active service force. In fact a young man who wished to enlist in the Canadian active service force in my county or in this province had to search about for a place where recruiting was going on for the Canadian active service force. Whatever influenced the government to call up the non-permanent active militia units for only thirty days' training a year is known only to themselves. In a very short time, in record time in fact, those units were all over-strength, and recruiting for them stopped on August 15. Yet at the date those units were called up there was no clothing of any kind available for them. There were no rifles, no machine guns or other articles of equipment necessary for infantry rifle battalions. Everyone must realize that you cannot enlist men and keep them doing squad drill forever. It was over two months before the first uniforms were issued to my unit. The issue consisted of a cap, a blouse tunic, a pair of trousers, a shirt, a belt and a pair of boots. This clothing was issued two days before the unit left to train at Petawawa camp. Despite many articles that have appeared in the press from time to time as to the enormous quantities of clothing being turned out, this government was unable to issue more than one shirt to each man. The men had no socks and they have not yet received any socks. They received no underwear. They did not have a greatcoat or a cardigan jacket or a sweater of any kind. As for personal articles they received none at all. What a contrast is the list of issue used in all the non-permanent active militia units and the list of equipment actually supplied at the training camp.

Before going to camp one company of two hundred men of my battalion had no socks and they were unable to obtain them from the government. So I myself wrote to the Red Cross and asked for two hundred pairs of socks, and the Red Cross replied as they always do, "Certainly you can have them." Anyone who has trained at Petawawa camp knows that it becomes very cold there at night; yet these men were sent there without overcoats, and without sweaters, just in summer uniforms, and there was not a single place in that camp where there was a fire. If a man got his feet wet, or his clothing was damp, there was no place where he could go to dry himself and his clothing. In my opinion

September is far too late to have a camp under canvas at Petawawa. It has been published in routine orders that summer clothing is not to be worn after the sixteenth of September; yet there are many men in my unit who are still drilling in summer clothing because there is not enough serge battle-dress to go round. In one company alone there are eighty men who have no winter clothing. These men are drilling either in civilian dress or in summer denim drill—and this after the battalion had been mobilized for nearly five months.

Our unit was issued rifles two days before going to camp, with the 306 Lee-Enfield. Up to that time our company at Madoc had only three rifles, which had been borrowed privately, with which to instruct over two hundred men. There was absolutely no opportunity to train these men in the care and use of the rifle or in musketry before going to camp. I should like to point out to hon. members that there is a great difference between the 306 Lee-Enfield rifle and the rifle known as the short Lee-Enfield which was used in the last war, and which is used to-day for firing on the ranges. The difference briefly is this. The safety catch is different; the action of the bolt and of the magazine is different; but, most important of all, the sights on the two rifles are entirely different. The point of balance is also different in the two rifles. This may seem a small matter, but in teaching men to slope arms, present arms, port arms and go through other movements you must instruct them in detail just where to grasp the rifle and how.

At camp each man fired a round of musketry with a short Lee-Enfield rifle. When the man was ready to lie down on the ranges he was handed a short Lee-Enfield rifle, and there were just enough rifles to go round, one for each target. The point is this. What is the use of attempting to train men in musketry with one type of rifle and then asking them to go on the ranges and fire with another type of rifle which they have never seen before?

With reference to machine guns, the men in my unit had never seen a machine gun until they went to Petawawa camp, except for the one we carved out of wood. At Petawawa camp there was one Bren gun in the entire camp for one day, and the man who wrote the orders for that day must have had a sense of humour because at the bottom of the order with reference to the Bren gun he wrote, "The gun will pass briefly through your unit."

It was the same thing in regard to gas training. Some twenty-two men from my battalion—and we had 660 men in camp—were given very brief instruction in gas. I realize that gas has not figured to any great extent in this war so far, but at the same time it is essential that every soldier should receive training with regard to gas. But without proper equipment how can we possibly give these men gas training?

I wish to impress upon hon. gentlemen that these matters are no secret at all because every man who attended Petawawa camp, and there were several thousands of them, knows the actual conditions. I should like to ask the Minister of National Defence whether the district officers throughout Canada were consulted before these men were sent to camp, or were these men sent to camp purely for propaganda purposes? On several occasions after these camps were closed I saw, in the press, references to the men who had been at the camps as trained men.

Before leaving the question of the non-permanent units I would pay a short tribute to the rank and file. I would point out that many of these men travel up to forty miles at their own expense in order to obtain training. Their pay for one night is sixty cents. Let me give an illustration. In the village of Bancroft, which has a population of about 800, there are over 100 men in the Canadian active service force and over 200 men from Bancroft and the surrounding district connected with the non-permanent unit.

At the present time these non-permanent units are conducting classes for the qualification of junior officers and non-commissioned officers. In my unit we are conducting five separate and distinct schools. Officers and non-commissioned officers attend these classes at night and on Sunday and they are allowed no compensation of any sort for travelling expenses. All other non-permanent units are conducting similar classes. I would make a suggestion to the government. Instead of having thirty or forty or fifty classes conducted in one district, why not have one central class for a period of two or three weeks, where men and officers will be called in to take instruction all day? At the present time the plan of running schools in connection with each battalion for the qualification of officers and non-commissioned officers, in the midst of a war, is almost a farce. Such a course might be all right in a time of peace, but certainly it hardly appears proper in the midst of a war.

Some hon. members who were in France in the early days of the last war will recall the old type of bomb made out of a jam tin. Well, the non-permanent units are to-day making the same type of bombs. The only bombs we have for instruction are jam tin bombs along with some old Mills bombs brought home as souvenirs and a couple of

German potato-masher bombs. We have no Webb equipment in the whole battalion. For example, you cannot instruct a man how to fix bayonets because he has no belt with frog whereby to carry the bayonet. We have no gas equipment of any kind; we have no aim correctors, no landscape targets, no aiming rests. In short, apart from rifles and bayonets, we have no equipment except what we have been able to manufacture ourselves, such as home-made bombs, bayonet standards, winter camouflage, barbed wire fencing and so on.

I would say to the Minister of National Defence that if national defence headquarters expect these units to drill and to have the men properly instructed, they must give us the necessary equipment for the purpose. Surely in one unit we could have at least one Bren gun. We could borrow at least one anti-tank gun and we could have a few gas masks and some kind of bombs and grenades. As a matter of fact, we cannot even get sufficient printed manuals. These men in the non-permanent units will have completed their training within a matter of a very few days and, as I mentioned a moment ago, the Minister of National Defence will perhaps make a statement as to what is to become of these units in the future.

I would refer to another matter that affects the militia. If my remarks in this regard are incorrect, or if the matters complained of have already been adjusted, I shall appreciate it if the minister will correct me.

The first battalion of the Hastings and Prince Edward regiment is in England. It went to France with the first division. The return of the first division from the front to England and the tragic events that followed are too well known to call for any comment, but many of these officers—in fact all the officers in the first division—lost all their personal kit. Some cabled home for money. I would point out to the government that this loss was occasioned through no fault or neglect of the officers themselves, but no provision has been made to reimburse them for the expense to which they have been put to replace the lost kit. Some such action should be taken. If the government have already remedied this situation, then I commend them for doing so.

I would also call the attention of the Minister of National Defence to the armoury in the village of Norwood. It is a first-class armoury in every respect but one that is not being used at all. In the adjoining town of Campbellford, some ten miles away, there is no armoury of any kind, but there is quartered there a company of the Midland regiment, and yet Norwood, where there is an armoury with fine facilities, is passed up. Surely at this time full use should be made of all armouries.

The leader of the opposition (Mr. Hanson) yesterday referred to training centres. I would add a few remarks. Will the Minister of National Defence tell this house and the country the names of the men or the committee of men who advised the government and recommended this training scheme of thirty days? I remember very well when the mobilization bill came up for discussion last June. In *Hansard* of June 18, at page 899, the Prime Minister is reported as follows:

> The point I wish to bring home at the moment is this: It is essential that we should let this country know that there is an emergent condition of very grave character, and that not an hour nor a moment should be lost in giving the government all the enabling powers that it may need to deal with this new situation.

In the same speech he said, at the same page:

> . . . the time has come when we must mobilize to the full the whole resources of this country.

Again, in the same speech, the Prime Minister said, at page 902:

> What is the sense of introducing any legislation in this parliament if what appears in black and white and in type as a statute of Canada does not mean that the government intends to give effect to what appears in the statute?

One would have thought, listening to the Prime Minister that day, that his government had some marvellous plan which would unfold itself as soon as they received the necessary legislation, but now we see the sad results. The vote on that occasion shows that of the 204 members in the house, 202 were in favour of the plan and only two were opposed. I would ask the Minister of National Defence a further question: Before his department decided on this plan, did he consult the ranking district officers throughout Canada to obtain suggestions and advice as to how the plan should be worked out?

Let us look at the scheme for a moment, a scheme which these highly paid propaganda writers can hardly find enough adjectives to describe. Certainly the artist whom the government employed to draw the comic strip which is enclosed in the registered letter that every man receives when he is called up should at least have a medal struck in his honour. I would suggest that if he draws any further military comics he get a military man to advise him, because he has made several military mistakes. I think I am quite safe in saying that nearly one hundred per cent of the men who took the first thirty-day training had not had any previous military

experience. It is a well recognized fact that discipline is one of the first essentials of army training. Hon. members who were in France during the last war can probably recall from their own experience many instances where it was only discipline which saved the occasion. But army discipline is not something which can be crammed down the recruit's throat at once; it enters into all his training. The average recruit going to a training centre needs a course of physical training along with a good diet in order to build him up and put him in physical condition for the hard army training, to be followed up with squad drill, route marches, instruction in the rifle, musketry, machine gun, gas training, military tactics, field craft and all the other work which enters into the training of the 1940 soldier. I understand that the present syllabus of the training centre calls for the recruit to do his first firing in musketry on the ranges after his eighth day in camp. It appears to me, Mr. Speaker, almost impossible that a recruit going into the army for the first time can absorb in a matter of eight days enough knowledge about the rifle and musketry, along with his other training, to obtain any benefit from firing on the ranges. The recruit is hurried from one lecture to another, from one course to another. In my opinion he absorbs only a smattering of many subjects and receives real training in none.

When you are training a large body of men, they can advance only as fast as the slow men in the class will permit. At the end of a thirty-day period the average recruit is only finding himself and is getting into the swing of the army, but he goes off home and the next draft comes in. It was pointed out yesterday by the leader of the opposition that to speak of thirty days' training is not correct, because when there is taken from the thirty days the time allotted to various preliminaries, holidays, and the rest of it, you will find that the recruit has not more than twenty days of actual training period; yet this training scheme costs the Dominion of Canada between fifty and sixty million dollars a year. Under the present plan it is estimated that three hundred thousand men will receive a month's training in the first year. Would it not be better to have sixty thousand men properly trained and equipped than three hundred thousand men with one month's training and only partly equipped? In the event of an emergency, with three hundred thousand men with one month's training, what use would they be? In my opinion they would be only an undisciplined mob, and without discipline the condition is hopeless.

[Mr. White.]

I should like to suggest a plan to the Minister of National Defence, and I sincerely trust that he will give it earnest consideration.

I mentioned a moment ago that the non-permanent units will finish their training within a matter of days. I would suggest that when these recruits are called up, they should be posted to the various non-permanent units for a period of two months. They would be documented, medically examined and outfitted with clothing and equipment. They would take a proper course in physical drill and elementary instruction in the rifle, machine gun and squad drill. At the end of the two months they would go to a training centre where they would train as a battalion. They would there complete their musketry training, run off their proper course of firing on the ranges; they would also fire with machine guns and anti-tank guns; they could take a proper course of training where gas chambers are available; they could take part in battalion manoeuvres and military schemes and do field engineering; in short, they would complete their training. At the end of a four months' period you would turn out a very creditable class of soldier, a force of men who would do more than give a good account of themselves if the occasion arose. The reason why I suggest a two months' period of training with the non-permanent forces is that in that time they could take all the rough spots off these men and get them out of the elementary or awkward squad stage so that when they went to the training centre they could immediately start on intensive training. I earnestly urge on the minister that before next January, when the next class of men is called for training, he will make some modifications in the present scheme.

I wish to make it perfectly plain that I am not condemning in any way the training centre. I approve this training, but I feel that the nature of the training which is being received is inadequate. Before leaving this topic I have only one further suggestion, namely, that every man who is rejected as medically unfit by the local examining physician should be called in and reexamined by a medical board of at least three men.

I was very much disappointed yesterday at the reply which was made by the Minister of National Defence to a question as to what arrangement, if any, had been made for soldiers' transportation on Christmas leave. It is unfortunate that this government has consistently refused to grant the soldier free transportation. All members of this house and their families, railway employees and their families, and many other classes of people in Canada are granted free transportation. Yet the soldier, who is more entitled to it

than anyone else, is denied this privilege. Drive on any highway in this province and you will see that hundreds and hundreds of men are obliged to thumb a ride home. A private soldier receives for a thirty-day month $39. If he is married he is obliged to assign $20 to his wife. That leaves him $19 a month for cigarettes, canteen, haircuts, soap and other small articles, and the dozens of other articles on which a soldier has to spend money. Thus, when the time comes for leave, the soldier is not in a financial position to pay his transportation home. At Camp Borden there are many soldiers from the Belleville and Kingston district, and as far east as Brockville. At Petawawa are many soldiers from areas a long distance away. These men are unable to pay transportation home even though they receive at the present time a round trip for the price of a single ticket. What is the result? You find the number of men absent without leave is increasing all the time. You find that discipline is suffering. But the worst feature is the growing feeling of resentment among the soldiers. Surely any man who has grit enough to enlist in the Canadian active service force and is willing to give everything, even his life, is entitled to the very best this country can give him during his training period. I would have thought that this government would benefit by the lesson learned in the last war, because we all realize that in time of war the emotional strain is much greater, and the average soldier will go to almost any length to get home to see his family or his sweetheart.

Another feature I wish to mention is the cheerlessness of such camps as Petawawa. This camp may be all right in the summer, but it certainly is no place for winter training, and yet I understand that there are several thousand men who are quartered there and will continue to be there during the winter months. Petawawa is some fourteen miles from the town of Pembroke. From now on, as the days are getting shorter, the men are off parade at four-thirty o'clock in the afternoon or shortly thereafter. Apart from the Y.M.C.A. and other service club huts there is no provision for their recreation or amusement. Where troops are quartered in towns and cities they have a decided advantage, because they can go down town; they can change their surroundings; there are picture shows and bowling alleys which they can visit and where they can meet their friends. These are simple matters, but they all tend to break the monotony of the soldier's life. But at Petawawa, which is only a sample of such places, there is no such provision; and as I pointed out before, many of the men are a great distance from their homes and unable to pay the cost of transportation.

Apparently the government realizes that this condition is becoming serious, because within the last ten days orders were issued by national defence headquarters that all troops were to be instructed that to ride on trains or use other methods of transportation without payment was an offence and must cease. But this illustrates again the lengths to which the soldier will go in order to get home. I would make the following suggestion to the government, that every soldier be allowed two week-end leaves a month, one leave with free transportation, the second leave at his own expense. The leave with free transportation would be to his own home or, if his home were too distant, to whatever point he would choose. But there should be attached the condition that the soldier would be entitled to these two leaves only if he had committed no offences during the preceding month. I am more than satisfied that if some such plan were adopted, the various commanding officers and others charged with discipline would find most of their difficulties disappear. The soldier then would be more content and his family would more readily accept his absence. But whether or not this plan is adopted, I cannot too strongly urge upon the government the necessity of doing something about free transportation for soldiers, and in particular that they make a special effort to give this free transportation in connection with leave for Christmas and New Year's, which are fast approaching.

Mr. RALSTON: If my hon. friend will permit me to interrupt, do I understand him to advocate that there should be one free leave a month?

Mr. WHITE: One free leave a month, and one at his own expense.

Mr. RALSTON: That would be twelve leaves each year with free transportation. Is that right?

Mr. WHITE: Yes.

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

Mr. WHITE: I could finish in just a moment if I might have permission.

Some hon. MEMBERS: Go ahead.

Mr. SPEAKER: With the consent of the house.

Mr. WHITE: I want to mention just one other matter and then I shall have finished. For many years there has been a great deal of resentment among the veterans of the last war with regard to the manner in which they have been treated by the pension department. I am quite frank in saying that the Conservative party have not treated the veterans any

better than they have been treated by the Liberal party. Certain conditions which have existed since the last war must not be allowed to creep into the method of granting pensions in connection with this war, and I would suggest that the Minister of Pensions and National Health (Mr. Mackenzie) seriously consider overhauling his pensions staff and appointing examiners and officials with a little more sympathy for the private soldier than that possessed by a slab of Scotch granite. I have handled many cases for veterans before the pension board, but you soon find out that you are up against a stone wall. The pension department hides behind the old bogy that the injury or condition complained of was not contracted during war service or could not be traced back to war service, and the entire onus of proving his case is placed on the soldier. The average private soldier has neither the means nor the opportunity to do this; and in any event I can easily imagine the feelings of the average man appearing before this hard-hearted board with all its endless red tape. The pension board takes the position that its officials and doctors are always right, and it pays very little if any attention to the opinions of civilian doctors.

Already the pension board is beginning to operate in the same way with regard to the present war; I might briefly state a case to illustrate my point. This man enlisted on October 24, 1939. He had two medical boards; he was X-rayed and placed in category A. In December, 1939, he proceeded to England, but on account of inferior and ill-fitting boots he developed trouble with his feet. On April 4 he was reboarded, placed in category E and sent home. He was discharged on May 16, 1940, and needless to say has received no pension. The man is unable to stand on his feet for any length of time at work. He applied for a pension but his application was refused. The official letter from the pension board reads:

> This ex-soldier was discharged from the Canadian active service force on account of medical unfitness.
>
> The commission rules that the conditions noted above are pre-enlistment, not aggravated during service.

I have applied for a second hearing, and the matter is now pending. Surely these men are entitled to the benefit of the doubt, if there is any doubt. It has been the custom to laud and praise the soldier to the skies, but here we have such matters as free transportation—I was going to mention allowances—and pensions which must be dealt with. Surely it is the duty of this government to see that every last soldier receives everything coming to him.

[Mr. White.]

In conclusion I should like to just pass on a remark made to me a short time ago at the Trenton airport. I was speaking to a number of young Americans who had seen fit to come to Canada and join the air force. To one young American coming from California I said, "Just what made you decide to enlist in our army?" His reply was, "We are still brothers under the skin, and I just had to come."

Mr. J. A. BRADETTE (Cochrane): Mr. Speaker, the news received a short time ago of a naval victory in the Mediterranean was most welcome. It will not lessen the determination of the British commonwealth or the British people to bring the present conflict to a victorious conclusion, but it does make us realize even more fully that bulldog determination possessed by the British people, who now are suffering more than any people have suffered in the history of the world.

I should like to felicitate the mover and the seconder of the speech from the throne. I should like to pay a special tribute to the hon. member for St. Lawrence-St. George (Mr. Claxton), who told our people that to be a good Canadian is to be a good Britisher. I want to send a message to my native province, and particularly to the premier of that province, Mr. Godbout, in commendation of the splendid attitude he has taken in respect to Canadian unity and particularly to unity in Quebec, in asking them to master the English language. Having the honour, as I do, to represent one of the largest constituencies in Ontario, and one in which the majority of the constituents are English-speaking, let me say to Mr. Godbout that he is doing a proper and a national thing when he advises his compatriots to learn to speak the English language. It is an accomplishment they will need not only in Quebec, but also in their transactions with the rest of Canada.

The message delivered by Mr. Godbout has a corollary. The suggestion has been well received by all provinces and the newspapers that the desirability of a knowledge of the French language should at least to some extent apply to the English-speaking majority. My own personal experience has been that I would not sell, for any stated monetary value, even my imperfect knowledge of the English language, and I have no doubt that others hold a similar view. My knowledge of that language has given to me opportunities which otherwise I should never have enjoyed or cherished.

May I felicitate the young member from Provencher (Mr. Jutras) upon the fine speech he delivered in seconding the address in

reply. He had poise, he had ability, and one could see that he had knowledge, too. Without trying to pose as a prophet, I have no hesitation in saying that a fine future lies before the young man who represents the historic federal constituency of Provencher.

I appreciated most the hon. gentleman's observations respecting the suffering of agriculture. He realized, as I do, that the western provinces are facing an agricultural problem, and he sought to have the nation realize that the problem was general. The import of his observations was that if we wish to have prosperity in Canada and throughout the world, we must of necessity have prosperity among the primary producers, namely, our farmers.

I have always greatly enjoyed and respected that day around the first of September in each year which is set aside as Labour day. I should hope that at some future time we might have another day set aside for the farmer, so that his value in the community may be brought to the attention of all.

It is realized that the problems of agriculture cannot entirely be solved at the moment. They may be alleviated, regionally or locally, but we must be aware of the fact that the problems of those connected with agriculture will be accentuated after this war, as they were after the first great war. Why? I know, from experience in my own family, from the first war, that a great number of our young Canadians who are now rendering actual war service will not, after their discharge from the army, come back to the farms. There will be no inducement for them to come back. They will flock to the larger centres of population, and it is because of that fact that I believe it is necessary for every Canadian worthy of the name to come down to a study of the basic problems of agriculture. I repeat that a prosperous agricultural community is essential to a prosperous country.

I am not a westerner, nor am I an easterner. Geographically speaking I belong to central Canada. That is the reason why, with some diffidence it is true, I intend to speak for a few moments about our great wheat problem. All agriculturists, in fact all Canadian people, are in sympathy with and appreciate the situation of agriculture in the three western provinces, where we have a wheat problem which cannot be traced to the present government, and which has not been wished or willed by the people of Canada.

We are willing to do what we can to help improve the condition in western Canada. We are willing to pay direct taxation on wheat or flour consumed. But at the same time the farmers in the western provinces do not want hand-outs from the federal treasury. During last summer and the early fall I received a considerable quantity of literature emanating from western Canada, from which it appeared that certain organizations which were holding conventions or other meetings were asking that the federal government pay the western farmer $1.25 for his wheat.

This is indeed an important problem, Mr. Speaker. But when the people of Canada as a whole compare their present position with that of the people in the British isles, they must at once realize that our load is much lighter than theirs. If it is possible to increase the price of wheat to such an extent as to involve an expenditure of $225,000,000, let us do it immediately. But if on the other hand the expenditure of that money would in any degree curtail our war activity; if it would prevent our enlarging our war effort, then I say we must maintain the present situation, namely a guarantee of 70 cents a bushel.

I point this out to the western provinces so that they may realize that in the east, too, we have agricultural problems. In the constituency I have the honour to represent, in the last twenty-five years there has been the finest and most pronounced development of agriculture to be found anywhere in Canada. In that constituency we have problems in connection with the production of hay. Our colonists were faced with problems arising from an unlimited amount of pulpwood with limited markets. It may be true that the problem in my constituency is not as large, as widespread or as national in scope as that of the western provinces, but the fact is that it does exist.

The farmer in the east has had to meet the loss of sale for his products, particularly hay, through the development of the locomotive and the internal combustion engine. It must be realized that the development of those means of transportation to a great extent eliminated the market for Canadian hay both in Canada and in the United States. It is true however that to some extent the government has helped.

I point out these facts so that hon. members may realize that the difficulties in connection with agriculture are not limited to western Canada. I believe I will be forgiven if I say I am convinced that it is impossible for the federal government at this time to dig into the federal treasury to bonus the western farmer to the extent of $225,000,000.

It has often been said that democracies are hard on their leaders when they are living, and that of necessity those leaders must pass to the other world before they receive any recognition. In the last few days I have read and listened to eulogies of one of the finest men Great Britain has produced, a man who

went to his reward only a few days ago. Because of the sincerity of his convictions, because of his implicit belief in the principle of peace throughout the world, both his personal and his political reputation suffered. How pleasant it is for those who watched him in action to see the tribute that has been paid to him during the last few days.

Let me, however, take this opportunity to praise some of the men who are now living. I turn first to the Prime Minister (Mr. Mackenzie King), a man who has spared no effort in this time of conflict and stress. Particularly will he be remembered for what he did at Ogdensburg a few months ago. There we had the spectacle of two of the leading statesmen in the English-speaking world meeting together on a mission of agreement and understanding. At that time there came together two men who have been working all their lives for amity and rapprochement between their respective nations. It must have been gratifying to them to see their conversations take the form of definite agreements.

We do not want to expect too much from those agreements, but they will stand as a living and permanent example to those in Canada and in the United States who in the future may wish to find a common ground of agreement. People throughout the empire were thrilled by the message from Britain to the effect that she was to permit the United States government to take action in respect to certain zones on the Atlantic and Pacific oceans.

May I at this point pay a deserved and sincere tribute, individually and collectively, to the members of the government of Canada; and I believe I may extend that tribute to every member of parliament. In the membership of the House of Commons we find represented a variety of services which, if necessary, could be made available to the government. Every member of parliament, no matter what section of the country he represents or where he sits in this House of Commons, I am sure will be always ready to give the best there is in him in furthering our war activities and the activities of the present government. We had an example of this during the national registration. There were no shirkers in the organization that carried out this registration, because every member of parliament did everything possible to make it a success. The same thing would apply to any activity in which this government might be engaged.

I believe it was a proper move to make to call parliament at the present time. We have already heard some very fine speeches dealing with the military and national situation. and I am sure we will hear more from those who will follow in the present debate. We all know the seriousness of the situation, and I am sure that no member would have the audacity to rise in his place simply to hear himself talk. We all have certain responsibilities, the back-benchers as well as the front-benchers. This is the proper forum in which to voice the sentiment of the Canadian people. They have no better way to express their thoughts than through their representatives in this House of Commons.

I listened attentively to the speech delivered by the hon. member for Rosetown-Biggar (Mr. Coldwell). Before I go any further I should like to pay a sincere tribute to his leader, the hon. member for Winnipeg North Centre (Mr. Woodsworth), and express the fervent hope that the day is not far distant when his health will be permanently improved and he can again take his place in Canadian public life. I have not always agreed with his convictions, but I do not think anyone can challenge his sincerity of purpose or belittle the sacrifices he has made. He is ably replaced in the present house by the hon. member for Rosetown-Biggar. The hon. member is not only an eloquent speaker; he is well versed in national matters. He is a wonderful propagandist as far as his own party and socialism are concerned. We could learn a lot from what he said, but at the same time we cannot get away from the idea which he has in his mind, that the only solution for our present difficulties is pure and unadulterated socialism. He believes that most of the troubles in connection with our present war activities can be obviated by the nationalization of Canadian industry.

I hold no brief for the capitalists or industrialists of this country, but I do not think that it adds to national unity when the leaders of the Cooperative Commonwealth Federation attack the industrialists, as they have in the press during the last few months, and say that they are not playing the game. It would be just as fair to say that the farmers or workers of this country are not playing the game. You cannot take a whole class and put all its members in the same category. There may be some men in industry who are not doing their duty toward their country at the present time, but that does not mean that our industrial system is wrong. We have the necessary departmental and governmental agencies whereby these men can be kept in line. They should not be allowed to profiteer while other Canadians are making sacrifices. I believe that the great majority, if not all, of our industrialists are playing the game as far as our war activities are concerned.

What has socialism done for France, my old motherland? France nationalized her aircraft and munitions factories, and what happened? They had practically no production. No one can separate socialism from communism, fascism or nazism. In Germany they call themselves national socialists, and in Italy they call themselves pacifists. We should not forget that a nationalized industry leads to a dictatorship. If all rights are given up it means chaos or a dictatorship. They had socialism in France, and what happened? There was a deterioration of the moral fibre of the nation. The government did not have sufficient strength to guide the people. When the government has not sufficient strength to lead the people there is a breakdown of the national activities. There is no avoiding that. Surely the members of the Cooperative Commonwealth Federation must realize that the solution of our problem is not the nationalization of Canadian industry, but the closest cooperation with all the citizens of this country.

The hon. member stated that the House of Commons should not be adjourned or prorogued for more than ninety days. I think I express the feeling of all parliamentarians when I say that should the need arise the Canadian members of parliament would be willing and ready to sit here all year without any extra cost to the Canadian people. We realize our obligations and we are ready to meet them. During the last session it was stated in some sections of the press that the members of parliament were ready to accept extra remuneration. I feel sure that if this had been offered not a single member would have accepted it. So far as I am concerned, and I voice the sentiment of the constituency which I represent, if it is necessary I am ready to sit here all year, and certainly without any extra remuneration.

As to the holding of secret sessions, this will be decided by the cabinet. However, I believe that anything that can be said, should be said to the Canadian nation. Anything that is not secret and can be divulged should be given to Canada as a whole through the House of Commons.

I now have a few regional requests to make. There is a proverb to the effect that it is more blessed to give than to receive, and this certainly applies to northern Ontario. Our young men have enlisted by the thousands, and at the request of the federal government we have speeded up the production of gold and other minerals in order to help the national treasury. The first request I have to make was referred to a few moments ago by a previous speaker. I do not intend to ask the Minister of National Defence (Mr. Ralston) to grant leaves to the enlisted men twelve times a year, but I do think leave should be granted at least twice a year and transportation provided. Many of the young men who enlisted from my district live a long distance from the mobilization centres. Some young relatives of mine are now quartered at Ottawa, which is 650 miles from their home. Everyone likes to be home at Christmas time, but it is financially impossible for these young men to make the trip. It will be no revelation to this House of Commons when I say that a number of men from Moose Factory, the Porcupine, Cochrane, Kapuskasing, Hearst and other districts in my constituency paid their own travelling expenses in order to try to enlist in the air force. Some of these young men made two trips at their own expense. Because of these great distances from home, I do not think that these boys should be called upon to pay their own transportation to their homes at Christmas. I want to be fair. I do not contend, as has been argued by a previous speaker, that leaves should be given once a month. The thing would be financially impossible and most of the boys would not be able to make the trip. However, it should be possible to arrange that the boys get home at Christmas time, and at least once or twice a year at reasonable intervals.

I make this appeal quite sincerely. I generally try to keep my ear to the ground. I have been doing considerable travelling in Ontario, Quebec and the maritimes during the last few months, and I know what the mothers and fathers and other relatives of these Canadian boys feel should be done. They are demanding that something should be done for our soldiers. There will be some cost involved, but I believe it would be a good investment from the point of view of military discipline, and the satisfaction of the men in service. I leave the matter in the hands of the government, but with all sincerity I appeal to them on behalf of our boys who at this time are doing so much for Canada and civilization.

I should like now to make a brief appeal to the Minister of National Defence for Naval Affairs (Mr. Macdonald). I hope hon. members who are listening to me will not think this is a small or unimportant request to make. The people of northern Ontario were thrilled a few days ago to hear that one of the naval boats of his majesty had been given the historic name of our great mining centre of Cobalt. The name of Cobalt is an institution in our national life, and, more particularly, has done much to contribute to the prosperity of northern Ontario. I am not asking just at the moment for big munitions

factories or special privileges for our part of the country, but I do say to the minister that the people of northern Ontario would be gratified to have in our Canadian navy a boat named H.M.C.S. Timmins.

Mr. LAPOINTE (Quebec East): Or Northern Ontario?

Mr. BRADETTE: That would be satisfactory, too. I think my request is a reasonable one, and that it should appeal not only to northern Ontario but to the whole of Canada. Timmins is one of the first and at present the largest gold mining town.

I understand that the policy of the Department of Munitions and Supply has been to seek decentralization of industry, and in that connection I would make a special appeal for my own section of the country. We have an abundant supply of electrical power to serve any munitions plants that may be established there, and it is a part of the country that may be regarded as sheltered from things that might happen elsewhere in Canada. The establishment of a munitions plant in northern Ontario would tend to bring about a better distribution of our war industrial activities, and if such a plant can be established I shall be very grateful to the government. Whatever may be the decision of the government I shall carry on the same as before, although I do think this request is deserving of serious consideration.

It has been mentioned in this debate, as it was in the debate on the address last year, that this war will bring about a new order of society. We have witnessed in the last few months some developments in the new order that war has brought about in the conquered countries of Europe. We have also witnessed, in the establishment of the joint defence board, a new order in the matter of defence which has been brought about by Canada and the United States. I believe that the war will also bring about what I might call an evolution in the industries of Canada. In making that statement I have more particularly in mind the fact that we in Canada are now working towards the standards prevailing in United States industries, and the time to consider what we shall do after the war is now. Of course it is impossible to foresee what may happen two or three months hence. No one who was in this House of Commons only a few months ago could have foreseen what has since happened to many of the nations of Europe, and similarly at this time we cannot clearly envision the new social order. But no matter what new social order we may have, we know that it can never be perfect, because in the very nature of things no human institution can ever be perfect. We must, however, bear always in mind the democratic principles which we seek to maintain, and I believe that in the future more will be asked of the people. There will be more said of their obligations and their duties than their rights. The young men who have enlisted and are ready to sacrifice themselves for the defence of Canada and the empire are making a magnificent contribution to civilization. They will come back, dynamic and full of energy, and our people generally will have to think less and less of good times and the leisure that civilization brings. By that time perhaps some of us older men will have dropped out of the race, but these young men who have been ready to sacrifice their lives in our defence will be coming back and they will be ready to fight for their ideals and the things that they profess. Any solution that we may find will not be a panacea that will suffice. The problem can be solved only by everyone making his contribution to maintain in its entirety that individual liberty which we prize so highly. All of us, except the aged, the unemployable, the afflicted and those unable to take care of themselves, will have to make a contribution to the new social order, a fuller and better order of things, and ways of life.

[Mr. Bradette.]

On motion of Mr. Bradette the debate was adjourned.

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

Thursday, November 14, 1940.

The house met at three o'clock.

WAR MATERIALS

VISIT TO CANADA OF SIR WALTER LAYTON—WAR PRODUCTION ADVISORY COMMITTEE

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I have a brief statement which I should like to make to the ministry, upon which I wish to base a question.

In to-day's Ottawa *Journal* it is stated that Sir Walter Layton, personal representative of Mr. Churchill, recently came to Canada, and it was understood that he has offered certain advice to the government about our war effort. In my view, parliament has the right to know what that advice is, and whether or not that advice has been or will be accepted. In his speech on Tuesday last the Prime Minister made no reference to this important event.

It is stated that the advice was to the effect that Canada's war effort should be rationalized, and that we should not waste effort and productive power on orders for things not vital. It is also understood that since Sir Walter Layton came and made known his views the government have set up a war production advisory committee, consisting of Mr. Towers, governor of the Bank of Canada; Mr. H. R. MacMillan, timber controller; Mr. R. A. C. Henry, the personal assistant to the Minister of Munitions and Supply; Major-General Crerar, chief of the general staff, and Mr. Chester, the new master of the ordnance.

Will the Prime Minister (Mr. Mackenzie King) or the Minister of National Defence (Mr. Ralston) during this debate tell the house and the country just what the position is with respect to this matter? Furthermore we should like to know about this advisory committee. Has it been set up, and if so, what does it propose to do or to remedy?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I might answer my hon. friend's question immediately. Sir Walter Layton was sent by the British government to confer with the government of the United States at Washington. While he was on that mission he paid what I think he would describe as a courtesy visit to Canada, and in the course of that visit was kind enough to come to luncheon with me and give me an opportunity of discussing with him some matters of mutual interest. He did not come for the purpose of tendering any advice to the Canadian government; nor did he tender any advice, so far as I know.

Mr. HANSON (York-Sunbury): Did he not submit a memorandum to the Minister of Munitions and Supply (Mr. Howe) as to what he thought ought to be done?

Mr. MACKENZIE KING: I regard Sir Walter Layton's mission as entirely confidential, and without his consent I would not think of seeking to intimate publicly anything with respect to what might have been regarded as a confidential communication. I have no doubt that Sir Walter Layton would give to our government any information he thought might be of help to us, but that was not the question my hon. friend asked. The hon. gentleman asked whether Sir Walter Layton came to give us advice on the part of the British government.

Mr. HANSON (York-Sunbury): I asked what it was proposed to do, assuming that to be so.

Mr. MACKENZIE KING: He gave no advice whatever; and any information he may have given pertaining to the production of munitions of war would be information that it would be advisable for the British government or the Canadian government or the government of the United States to have, information which it would not be advisable to state publicly or disclose to the enemy.

Mr. HANSON (York-Sunbury): What about the advisory council?

Mr. MACKENZIE KING: Possibly my colleague the Minister of Munitions and Supply (Mr. Howe) will have something to say about the advisory council when he comes to deal with the estimates of his department. That council was not established as the result of any advice tendered by Sir Walter Layton when he was here.

Mr. HANSON (York-Sunbury): Does that mean that we will hear about it next spring or next summer, on the estimates, or will that statement be made at this session?

Mr. MACKENZIE KING: I cannot understand my hon. friend's attitude. He seems to be seeking to criticize the government rather than trying to get information which will be helpful to all.

Mr. HANSON (York-Sunbury): Oh, no; not at all. I am asking if there is such a committee, and when we will hear about it.

Mr. MACKENZIE KING: When my hon. friend the leader of the opposition asks whether the ministry intends to give this house certain information next summer or whether it will be given when the minister speaks, after I have indicated that the minister himself will deal with that matter, I cannot regard it as a remark which was intended to be helpful.

Mr. HANSON (York-Sunbury): If I caught the Prime Minister correctly a moment ago, as I think I did, he referred to a statement being made "on the estimates". That was what prompted me to say next summer, because the estimates will not be down until after the long recess, as I understand it.

Mr. MACKENZIE KING: I am obliged to my hon. friend for drawing to my attention the fact that I mentioned the estimates. I meant to say during the present debate.

Mr. HANSON (York-Sunbury): That is good enough.

Mr. MACKENZIE KING: If my hon. friend had asked me whether I meant the estimates I would have told him that was a slip of the tongue.

LABOUR DISPUTE

AUTOMOBILE INDUSTRY—CHRYSLER PLANT AT WINDSOR—REPORTED ARREST OF PICKETS

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I should like to ask the Minister of Justice (Mr. Lapointe) the exact date on which he issued an order, if any, declaring the Chrysler plant at Windsor, Ontario, to be a protected place under the defence of Canada regulations, and for what reason any such order was issued.

Right Hon. ERNEST LAPOINTE (Minister of Justice): The plant was declared to be an essential service under subparagraph 2 (d) of the defence of Canada regulations, not by the Minister of Justice but by the governor in council, in order in council P.C. 3264 of July 20, 1940. The purpose of the regulation is to enable the civil authorities to enforce defence of Canada regulations relating to trespassing and loitering on or near the said premises, and prohibiting the doing of any act with intent to impair the efficiency or impede the working of any undertaking engaged in the performance of essential services.

Mr. CLARENCE GILLIS (Cape Breton South): May I ask the Minister of Justice whether the recent arrests of pickets at the Chrysler plant in Windsor, on the ground, as reported in the press, that they were illegally in a protected place, were made with the knowledge, consent or approval of the government?

Right Hon. ERNEST LAPOINTE (Minister of Justice): I do not know anything about it. The administration of justice, even under the defence of Canada regulations, is under provincial jurisdiction.

Hon. N. A. McLARTY (Minister of Labour): My information is that the arrests were made by local and provincial police, under the instructions not of the dominion government but of the attorney general of Ontario.

Mr. MacINNIS: Is it the opinion of the government that the application of an order declaring that certain premises are protected areas may have the effect of stopping picketing or other trade union activities in such areas?

Mr. McLARTY: Mr. Speaker, realizing that this was a most important question I have asked for the opinion of the Department of Justice as to how far the application of the defence of Canada regulations may preclude picketing in general—not as related to the particular situation in Windsor, because there are certain facts there which complicate matters.

Mr. COLDWELL: What is the application of regulation 27, if it does not give protection to the men?

Mr. McLARTY: I have not had notice of the question, but I should think the answer would be covered in the opinion to be received from the Department of Justice.

Mr. LAPOINTE (Quebec East): I suggest that if this matter is before the courts it will be interpreted by them.

Mr. HANSON (York-Sunbury): But that should not preclude discussion here.

Mr. LAPOINTE (Quebec East): No; I know that. But I suggest I should not be asked for lgeal opinion respecting incidents which have been submitted to the courts.

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

Mr. SPEAKER: May I point out that some of the questions which are being asked might better be placed on the order paper. There should not be discussion across the floor of the house on a question asked on the orders of the day. I suggest that when an hon. member asks for a legal opinion from a minister he ought to have an opportunity of considering the matter before giving an answer.

LEGATIONS

PROPOSED APPOINTMENT OF MINISTERS PLENIPOTENTIARY TO ARGENTINA AND BRAZIL

On the orders of the day:

Mr. H. C. GREEN (Vancouver South): I should like to direct the attention of the Prime Minister to a Canadian Press dispatch from Buenos Aires, appearing in the Ottawa *Citizen* this morning, in which it is reported that the British ambassador to Argentina has notified the foreign minister of that country of Canada's decision to instal diplomatic representation, with the rank of a legation, in Argentina. May I ask the Prime Minister whether or not this report is accurate, and whether he would be willing to amplify it; also to let us know whether or not it is the intention to send ambassadors to any other countries in South America and, if so, to which ones.

Right Hon. W. L. MACKENZIE KING (Prime Minister): If I recollect aright, when we were discussing the estimates of the Department of External Affairs at the close of last session, the hon. member for Vancouver South (Mr. Green) asked whether the

government intended to have representation in the Argentine or any of the other South American republics. At the time I replied that the government was giving consideration to the matter. I am now in a position to state that the government has decided to have a minister sent to the Argentine and also to have a minister sent to Brazil.

At the time, when my hon. friend previously brought up the question, I indicated that the government was considering whether or not it might be possible to have an arrangement with respect to the South American republics similar to that which was made with regard to Belgium and Holland, having one minister represent this country at two capitals, in this case Buenos Aires and Rio de Janiero. For obvious reasons, however, it has seemed inadvisable to restrict the appointment to one minister and has seemed very desirable to have two appointments.

I might say that the formal approval of His Majesty the King is necessary before a step of the kind is taken. That approval has been obtained, and the governments of the Argentine and Brazil have been informed, at our request, by the foreign minister of the United Kingdom through the British ambassadors to those countries, that it is the intention of our government to make the appointments in due course. I should say that both countries intimated to the government some time ago that they would like to be in a position to send ministers to Canada. Each of these governments asked whether we would be prepared not only to receive their ministers but to reciprocate in the matter of making appointments to their respective countries. It is just within the last month or two that it has been possible to give them a definite answer on that point.

My hon. friend has asked me to elaborate. I do not know just what he may have in mind. It may be that he refers to the possibility of trade commissioners being able to perform the duties that ministers might perform; I notice there has been some comment in the press to that effect. I imagine, however, this would not commend itself to my hon. friend. I do not think any country has a finer trade commissioner service than Canada has, and the work that is being done by our trade commissioners in the South American republics is satisfactory in every particular. But as hon. members will realize, representatives of the Department of Trade and Commerce as such have not immediate access to foreign governments. In many countries to-day, in order that the ministry may be approached by a representative of another country, that representative must have ministerial standing. Hon. members also are aware that at the present time matters of trade are becoming largely controlled by governments themselves, by means of quotas, prohibitions and restrictions of various kinds, so that it is becoming imperative to have someone with the authority of a minister to gain the contacts that are necessary with governments on these matters. Perhaps I need only add that the importance of the South American republics, both from the political and the economic point of view, is obvious; and the government feels that it would be in the national interest that we should have this representation at an early date.

WHEAT

MARKETING OF ONTARIO PRODUCTION—OPERATIONS OF BOARD FOR EASTERN DIVISION

On the orders of the day:

Mr. M. C. SENN (Haldimand): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce (Mr. MacKinnon). On August 2 last, in reply to a question by myself, the minister stated that the accounts in connection with the handling of Ontario wheat were then being audited, and that accordingly payments would be made in a very short time. He also said that there would be a final payment. The holders of participation certificates are anxious to know when this payment will be made; and can the minister state what the amount per bushel will be?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, the hon. member for Haldimand was kind enough to send me notification of his intention to ask these questions to-day. I am glad to say in reply that the wheat received from the producer in Ontario during the 1939-40 season has been sold, and the operations of the board completed. The result of the marketing of this wheat shows a surplus of $80,729.27, which amount, less the cost of distribution, will be paid immediately.

At the commencement of the marketing season the board, with the approval of the governor in council, sets initial prices for each grade and variety of wheat. Naturally these spreads cannot be estimated exactly, but as the wheat is sold records are kept of the variations between the prices obtained for the different grades, so that now when the wheat has been sold the producer will be compensated for any inequalities in the initial prices.

The amount paid on each grade of wheat, initially, for the 1939 crop, the average price obtained after deducting therefrom the handling and administrative costs, and the balance per bushel payable on each grade is as follows:

	Initial price cents	Final price cents	Balance per bushel cents
Canadian Eastern Mixed Winter—			
No. 1	70	71·623	1·623
No. 2	68	70·255	2·255
No. 3	65	68·351	3·351
Canadian Eastern Red Winter—			
No. 1	70	71·623	1·623
No. 2	68	70·108	2·108
No. 3	65	68·265	3·265
Canadian Eastern White Winter—			
No. 1	70	71·623	1·623
No. 2	68	70·062	2·062
No. 3	65	67·715	2·715

With the approval of the house, I shall be pleased to place on *Hansard* a statement of the operations of the board for this particular period (eastern division).

An announcement was made in the press yesterday advising the producers to forward their producers' certificates, properly endorsed, to the Canadian Wheat Board, 80 King Street West, Toronto.

Wheat sold at realized prices		$3,241,354 85
Less wheat delivered by the producers at board fixed prices and for which producers' certificates have been issued		2,957,301 14
Surplus on wheat transactions		$ 284,053 71
Handling and administrative charges:		
Storage and carrying charges	$ 79,842 09	
Elevation	20,190 83	
Railroad charges	23,903 22	
Insurance	355 20	
Reconditioning, grade adjustments, shrinkage	12,897 01	
	$137,188 35	
Less handling charges recovered	11,154 00	
	$126,034 35	
Interest and bank charges	$ 14,385 93	
Brokerage	13,146 60	
Administrative and general expenses	49,757 56	
		$203,324 44
Surplus in respect of the opertions of the 1939 crop—eastern division		$ 80,729 27

The per bushel cost of the uncontrollable expenses incidental to the physical handling of the wheat, interest and bank charges, etc., amounted to 3·610 cents per bushel, and for administrative and general expenses 1·169 cents per bushel. Deliveries to the board from the 1939 crop totalled 4,254,935-50 bushels.

EMPLOYMENT OFFICES

ANNOUNCEMENT AS TO OPENING OF NEW OFFICES IN TORONTO

On the orders of the day:

Mr. H. R. JACKMAN (Rosedale): Mr. Speaker, in the daily press of Toronto there has appeared over the week-end an advertisement under the authority of the province of Ontario, announcing the opening of five new employment offices. Would the Minister of Labour be good enough to say whether this is done with the knowledge or approval of his department, or of the unemployment insurance commission?

Hon. N. A. McLARTY (Minister of Labour): I am afraid I shall have to let the question stand as a notice. I have no information with respect to it, nor do I know what the commission has done in the matter. I shall be pleased to give the hon. member the information, but it is not available at the moment.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Wednesday, November 13, consideration of the motion of Mr. Brooke Claxton for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Hanson (York-Sunbury), and the amendment to the amendment of Mr. Blackmore.

Hon. J. G. GARDINER (Minister of Agriculture and National War Services): Mr. Speaker, I am sorry that I had not returned to Canada when the mover and seconder of the address spoke on Friday last. Therefore I was denied the privilege of listening to two speeches of the highest order, which were well delivered, judging from the reports in *Hansard*, and the remarks of previous speakers on both sides of the house.

I have had the privilege of listening to the speeches delivered by the leaders of the three groups sitting opposite, and the very excellent speech delivered by the Prime Minister (Mr. Mackenzie King). The Prime Minister, because of his very complete review of the activities of the Department of National War Services,

has made it unnecessary for me to say more about our activities at this time. As a matter of fact I do not rise to speak on the main motion, but rather to speak on the amendment which is before the house, moved by the leader of the opposition (Mr. Hanson) and supported in certain particulars by the leader of the Cooperative Commonwealth Federation group, the hon. member for Rosetown-Biggar (Mr. Coldwell).

The amendment of the leader of the opposition is in the following words:

That the following be added to the address to His Excellency:

"We respectfully submit to Your Excellency that this house regrets that the government has continued to soothe the Canadian people regarding the war effort of the nation, thereby creating a false sense of security when a clear-cut call to action is desperately needed.

And this house further regrets that despite the serious condition of agriculture no effective action is proposed to alleviate that condition and to ensure to the Canadian farmer a just, fair and reasonable return for his products."

It is my intention to deal first with the reference to agriculture, and if I have time later I shall refer to my recent experiences in Britain in order to refute the suggestions contained in the first part of the amendment.

I would call the attention of the house to the statement that, "no effective action is proposed". The leader of the opposition had no suggestion to make other than a proposal that we should do for the potato grower what we have done already for the wheat grower and the apple grower. I suggest to him that if the application of the policy applied to the condition of the apple grower would satisfy, and if in his opinion we have done all that we should have done for the wheat grower, and if he had no special complaint to make excepting with regard to potatoes, he should have greatly narrowed the terms of his amendment. When he made a speech two hours and a half long and offered no proposals to alleviate the condition of the farmer about which he complained, he might have refrained from criticizing the government on that score.

But the leader of the Cooperative Commonwealth Federation party did not make that mistake. He stated a grievance, and his long practice in stating grievances has made him an expert. He said:

War has effectively closed our principal markets for farm products.

And again:

Our agricultural problems are, however, not due to war conditions exclusively. Economic nationalism and the increase in production encouraged by the first great war, and made possible by the mechanization and scientific development of agriculture, have combined to increase the difficulties of Canadian agriculture. The lack of any intelligent policy or direction on the part of the government has greatly increased the difficulties.

I take it that he does not blame this government for having brought on the war. We can as a government, therefore, claim that any difficulties arising out of the war are not of our making.

Economic nationalism certainly cannot be laid at the door of this government. When the present Prime Minister accepted the leadership of the Liberal party he condemned narrow nationalism in all its elements. He continued to lead the crusade both inside and outside the House of Commons until to-day he is recognized throughout the empire as the most internationally minded of all the political leaders of the empire. His followers campaigned with him for twenty-one years against the narrow nationalism of the official opposition and the state socialism of the Cooperative Commonwealth Federation which is state monopoly of the most nationalistic nature.

The leader of the Cooperative Commonwealth Federation then proceeds to condemn increased production, mechanization of farms and scientific development of agriculture as co-partners with economic nationalism and war in causing the problems of agriculture. He then goes on to state:

The lack of any intelligent policy or direction on the part of the government has greatly increased the difficulties.

Well, Mr. Speaker, I cannot conceive of a less intelligent discussion of the causes of our difficulties as related in criticism of the present government of Canada, and would therefore suggest that the policy pursued by the government to date may be quite as intelligent as could proceed from the Cooperative Commonwealth Federation source.

It is not the practice of a government to be announcing policies. Governments put their ideas into practice. The announcing of policies is the right of oppositions. When we were in opposition we announced a policy through our leader in these terms:

The Liberal party by its policies will continue to further the development of agriculture, lumbering, mining and fisheries by effecting reductions in the costs of production of Canada's basic products and by obtaining wider markets therefor, by encouraging export trade and by state assistance in the marketing of natural products.

We appealed to the country on that policy as opposed to narrow nationalism and state socialism as practised by the government of the day and advocated by the Cooperative Commonwealth Federation. We were returned by an enormous majority and put those policies into effect for four years. War came.

We again went to the country, outlined our policies, and declared our intention to continue the policies advocated in 1935 and put into effect with beneficial results for four years. What was the result?

Mr. COLDWELL: Unemployment.

Mr. GARDINER: My hon. friend says "unemployment." There was unemployment for practically all the opposition candidates who opposed us. In proof of that may I recite this. The official opposition elected only three members from agricultural seats west of Winnipeg, and I see on the opposition benches only two members from eastern Canada who by the wildest stretch of the imagination can be called farmers. The Cooperative Commonwealth Federation was held to its original representation west of the great lakes and did not elect a single representative from a farming constituency east of the lakes. The Social Credit group had its numbers cut in two.

What about my own position, since I am the minister under discussion? I left a safe seat which I represented in the last house and deliberately challenged the Cooperative Commonwealth Federation on their policies for agriculture, in a seat which was entirely held by the radical opposition in the local house. It was a seat which had been abandoned by the ill-advised official opposition. I campaigned in every province west of Quebec for others, and the people of this western seat returned me by a handsome majority. I may tell my friends of the official opposition that every traditional Conservative poll in the constituency gave me a majority.

Why should this government change its policies on agriculture? The policies are essentially Liberal. The policies were endorsed in peace-time by the farming population of Canada when proposed in 1935. The policies were put into practice for four years and endorsed in war-time no later than March 26 last. Two of the opposition now have the effrontery to pronounce against those policies in the house without waiting to hear the report of our mission to Britain in an effort to make our future practice conform to their needs. We have only two markets left for our farm products. They are Britain and the United States, the two countries whose markets have been cultivated since we took office and in these we have friends because of our actions during the years we have been in office.

After reviewing the position of the wheat farmer, the leader of the Cooperative Commonwealth Federation then went on, as an opposition should, to do what the leader of the official opposition did not do, namely, announce an alternative policy. He said:

Since similar conditions face other branches of agriculture, we would make these suggestions:

1. That the marketing of all farm produce by appropriate boards with adequate producer representation be provided for.

We have boards, most of them with very adequate producer representation upon them, marketing wheat, bacon, dairy products, apples, and although with no assistance from this government, tobacco.

The hon. gentleman's second point was:

2. The suppression of gambling and speculation in food products, including of course the closing of the grain exchanges.

I agree that gambling should be removed from the marketing of our products at all times. I do not think, however, that gambling and speculation are synonymous terms. I agree that when the butter market of Canada is protected by a five-cent duty persons should not purchase butter at 21 cents in the summer season and attempt to sell it to the consumers at 30 to 40 cents in the winter months. I am compelled to say, however, that when I, as a representative of producers, am asked by our only customer to maintain an open exchange when under the circumstances there can be neither gambling nor speculation, I am inclined to accede to his wish. That is what we are doing in Canada at the present time in the handling of wheat.

The leader of the Cooperative Commonweath Federation party proceeds through six planks, each one of which could be dealt with to indicate that in so far as they would be helpful the principle has already been complied with. He concludes with a seventh, which reads as follows:

7. The appointment of a full-time minister of agriculture devoting exclusive attention to the industry, and the transfer of all agricultural marketing boards from the Department of Trade and Commerce to the Department of Agriculture.

I presume that when the member for Rosetown-Biggar suggests the appointment of a full-time minister of agriculture he implies what others are stating—that two departments of the nature of Agriculture and War Services are too heavy for one minister. My hon. friend nods his head in assent. Well, that is an arguable position to take. But when in the latter part of the proposal he suggests that all boards having to do with the marketing of farm products be transferred to the Minister of Agriculture he is suggesting that the board of grain commissioners and the wheat board should be transferred to Agriculture.

May I state to the member for Rosetown-Biggar that one of the biggest single jobs confronting the government of Canada to-day is that of dealing with the marketing of wheat and the financing of the farmers who have not been able to market their wheat. That job in itself is bigger and more trying than the work of the whole department of war services, particularly when we were able, through the cooperation of the members of this house, to secure the cooperation of all the people of Canada both for the registration and for the calling of men for the training camps.

If it is only the health or capacity of the minister he is worrying about, then I submit that his proposal does not help the situation. If it is his desire to get me out of the department, then I want to tell him that whether I am Minister of Agriculture, War Services, both, or only a private member, or back on the farm where only one of his group ever made a living—

Mr. COLDWELL: I never heard that the Minister of Agriculture did either.

Mr. GARDINER: —I shall continue to fight the battles of the farmers of Canada. No adding to or taking away from duties or prestige will remove my life-long association with and love for farmers and farming.

I might add that with the government constituted as it is, wheat is under the joint administration of two ministers, one from the greatest wheat producing province in Canada and one from the second greatest. On the theory that two heads are better than one, the work should be lighter and carried out more efficiently as it is.

Mr. HANSON (York-Sunbury): What if there isn't any head?

Mr. GARDINER: I am certain that I and the Minister of Trade and Commerce can cooperate to the benefit of the industry.

In reply to the suggestion of the leader of the opposition (Mr. Hanson) I know of only one group in Canada that is without any head.

The leader of the Cooperative Commonwealth Federation immediately removes any suggestion that he desires a minister to have anything to do, by proposing that a planning commission should be set up which would take on all the duties of a minister of agriculture. He gives as the last duty of this commission that of arranging for the export to Great Britain without profit to Canada of surplus supplies of food now rationed in that country.

What does he mean by "without profit to Canada"? Almost forty per cent of our population live on the farm; easily sixty per cent are engaged in work which is such that they depend upon returns from the farm for their existence.

Mr. COLDWELL: Returns are not profits, and the minister knows it.

Mr. GARDINER: I am coming to that. Canada, in relation to profits, is the people of Canada. His proposal can mean nothing more or less than what is the essence of state socialism, namely, that the whole population, including the farmer, be placed on a bare subsistence basis.

Mr. CASTLEDEN: Rubbish.

Mr. COLDWELL: The farmers are on that basis now.

Mr. GARDINER: May I state what this government has done for agriculture?

Before the war, when we found every branch of agriculture floundering in the bogs of narrow nationalism, having had flung to it by the government of the day the rotten planks of state socialism, we offered it trade with a great friendly nation to the south and a mother country forced to prepare for war, with the result that we were returned to office.

When we returned we implemented our pledges, with the further result that the price of every single farm product increased. The volume of the product at increased prices went up. At the end of two years the increased sales to the two important countries had improved in value by more than fifty per cent. This continued in most products right down to the year in which war began. Wheat was the outstanding exception, and crop failure in 1937 largely accounted for that as well as the dropping off in the total farm exports.

No other government at any time has helped the western farmer from the treasury of Canada to the extent that this government has. We have spent millions of dollars to assist farmers without crops. We have spent additional millions in rehabilitating farmers. I was referred to in the last campaign, a campaign carried on after the war began, as the Santa Claus to western Canada and western farmers.

Mr. JOHNSTON (Bow River): The people do not believe that.

Mr. GARDINER: Look at the last election returns and you will be convinced that they do believe it—and they left half of your group at home.

Before war came we set up cooperative marketing organizations from coast to coast to handle farm products. Every one of them has been a success financially. Our guarantee enabled them to finance at the bank, and they were so soundly established that although they brought the farmer better returns not one of them required to take a cent out of the treasury of Canada. This demonstrated that the farmers of this country can organize and handle the marketing of their own products and make a success of it.

Before the war we paid a premium on good cheese and assisted cheese producers to improve their factories, with the result that quality cheese has been greatly increased both in volume and in price. It is this increase in volume and quality produced by more scientific methods which the leader of the Cooperative Commonwealth Federation associates with war and narrow nationalism as the cause of our present farm problems.

Mr. COLDWELL: You know better than that.

Mr. GARDINER: My hon. friend is quite an expert in a number of things, one of them being composition, which he taught for many years in a school in the city of Regina. If he will read the *Hansard* report of his speech he will find that what I am stating is exactly correct.

I differ from my hon. friend in his diagnosis of the case. If the peoples of Europe whom Britain has befriended for ages had been able to hold out against the attacks of nazism, every scrap of food Canada prepared against the day of trial would have been required by now and would have been selling at a price which would have partly paid the debts incurred during the days of narrow nationalism. But the war has brought destruction, pillage, rampant death and slavery to the small food-producing countries of Europe, and we, with our food supplies increased to greater surpluses than for years, are able to play a greater part in assisting Britain than we otherwise could have done.

Britain did not want our apples last year. We helped the apple growers as liberally as we ever helped the wheat growers. We entered into an agreement with Britain and set up a board to handle bacon. The price of hogs averaged about three cents a pound higher in Canada than in the United States where there was no agreement. We made an agreement on cheese, and cheese producers were assured of a price much better than the relative price of butter which was left to the tender mercies of our own market. Our farmers could not sell their wheat, and we did what no government ever did under similar circumstances before. We paid them more by way of advance one year than we could get for it, and when the war break came and our storage would not handle it, we helped finance an increase in storage and we distributed the storage available so that all could get some. We pegged the price so that the speculator could not profit, and Britain came to our assistance and paid us more for wheat than she paid any other country in the world.

In the face of these facts I want to say that, before the trip which I made to Britain a few weeks ago, we had been functioning in the interests of agriculture in this country and had been giving considerable direction to production in Canada. We told the farmers, for example, more than a year ago that it would not be wise to increase wheat acreage; but wheat acreage was increased by two million acres. We cannot always be assured of the carrying out of undertakings which we advise people to enter upon on their own behalf. We advised them, it is true, to go on producing bacon. We had some difficulties with that before the end of last year, but those difficulties will be cleared away when I read the arrangements which we made in Britain when I was there in recent weeks.

Perhaps one of the greatest war services provided in Canada has been performed by the farmers. I think the remarks of the different oppositions agree with that. We are inclined to look upon munitions, arms and armies as being indispensable in war time, and they are; but sometimes we forget that the necessities of peace time are the fundamental requirements of war time. Food and clothing are as indispensable in time of war as man-power itself, because without food and clothing there could be no man-power.

The farmers of Canada and the enlisted soldiers from all classes in Canada have been required to make greater economic sacrifices than any others. First it was the apple growers, next the tobacco growers, next the vegetable and small fruit growers; and now the wheat growers have been compelled, because of the turn of the war, to accept much less for their products than they had every right and reason to expect. Farmers suffered as great, if not greater, losses because of war fear before war was declared.

Because of these losses, both before and since the declaration of war, I thought it wise to go to Britain and study the British position first-hand, taking with me, to assist, officials of the department who are entrusted with the task of helping to market farm products. We have just returned and have certain reports to make.

The first is that while the blockade lasts there is only one European authority to which we can direct food supplies, and that is the government of Britain. I have noticed from press reports since returning that certain persons have been suggesting while I was away that we should seek markets in certain quarters. I wish to state, in terms that cannot be misunderstood, that having witnessed the bombardment of London and other parts of Britain I would not remain for one hour in any government of Canada which would seek markets for farm products anywhere in the world if the marketing of them there would in any way tend to weaken the blockade Britain is enforcing upon certain sections of Europe.

Mr. COLDWELL: What about the selling of copper to Spain?

Mr. GARDINER: Well, my hon. friend will find, if he reads this carefully, that the selling of anything to Spain is very well covered by what I have stated.

My observation would lead me to the conclusion that Britain will require to use every legitimate means at her disposal to defeat Hitlerism, and the blockade is the strongest weapon she has until munitions, planes, tanks, trucks, arms and men are pouring into the field of battle.

Britain is enforcing the blockade, and she alone must be in a position to determine where the food products can be placed to do the greatest good. In short, I think it is our duty to place the food supplies available for European consumption at the disposal of the empire through the food and shipping ministries of Britain, to be directed to any market they think advisable. I think we should receive in return from the British government for these supplies sufficient to make it possible for our farmers to carry on producing food supplies which are greatly needed and may be even more essential to ultimate victory.

The second finding we wish to report is that the British food ministry has established a list of essential food products in order of preference. We were not supplied with that list and I presume it is subject to change from time to time, but our discussion would lead us to believe it is at present arranged in about the following order:

1. Wheat and other cereals.

The reason for this is obvious. There is no food product produced anywhere in the world which in its natural state will keep longer than wheat and which at the same time will retain its full value longer than wheat.

2. Dairy products.
3. Fresh meats.
4. Bacon and other cured meats.
5. Fish, canned and frozen.
6. Poultry and eggs.
7. Canned fruits.
8. Canned vegetables.
9. Fresh fruits.

Britain does not want fresh fruits at all.

The only one of these farm products which we are not at present interested in sending to Britain so far as our own economy is concerned is fresh meats. We have a much better market in Canada and the United States for all our fresh meat, including live cattle, than we can secure in Britain or any part of Europe. I should like, Mr. Speaker, to ask this house to whom is due the credit for that? The fact that we have no problem in connection with the marketing of our cattle is due entirely to the agreement which we have with the United States, and which was made by this government. The only farm product which we did not need to discuss in Britain was that of beef and other fresh meats associated in similar trade. I think we should keep that in mind when we are talking about our relationships with some other parts of the world in connection with food products.

We did not, therefore, discuss the sending of fresh meat to Britain other than to make known to them the fact that we have certain surpluses which are being marketed in the United States. We made it very plain to them that if these surpluses were ever required to feed the people of Britain we would be prepared immediately to discuss their problem with them and try to cooperate with them in assisting them to a solution.

We discussed all the other products with them, and bearing in mind the two findings reported above, namely, that the blockade is necessary to victory and that Britain has an essential list of food products set up in order of preference, I wish to report to the house the result of our discussions with the British government.

First, with regard to fish: It was not my duty as Minister of Agriculture to put forward the claims of the fishing industry, but I was pleased to have the officials of the departments of Trade and Commerce and of Fisheries suggest that we include fish in our negotiations. I shall only state in this report, before proceeding with the discussion of agricultural products, that Britain agreed to accept from Canada canned salmon to a value of $5,538,000, other canned fish to a value of $3,145,000 and frozen cod to a value of $3,367,000, or a total in fish of $12,050,000.

Fruit. Britain does not desire to take apples and other fresh fruits at present. She does not say she will not take any but she does not desire to take them. This is due to the fact that she places them at the bottom of the list of essential foods, and even on the basis of empire policy considers that while they are fighting the effort of Hitler to break the blockade, shipping space should not be used for fresh apples and other fruits. We have accepted her representations for this year and intend to encourage our own people to use Canadian fresh fruits in greater quantities than formerly as a means of assisting our fruit growers.

Britain is prepared to take:

Canned tomatoes	to a	value	of	$2,658,000
Dried apples	"	"	"	177,000
Canned apples	"	"	"	664,000
Fruit pulp	"	"	"	266,000
Fruit pectin	"	"	"	222,000
Honey	"	"	"	554,000
Or a total in fruit and honey of				$4,541,000

In regard to poultry and eggs, we were unable to enter into an agreement because the British food ministry were not prepared to bind themselves to take poultry; it is looked upon more or less as a luxury. The food ministry felt that the eggs which we could provide would not be sufficient in volume to affect their ration lists; therefore they prefer to have these products marketed without agreements, and we agreed to assist in every way possible in the marketing of them without agreement.

With fresh meats eliminated there are three products left which we can supply in quantity. They are wheat, dairy products, and bacon. These are on the British list in that order of preference. I wish to discuss them in the reverse order.

First, bacon and other pork products. Last year we had an agreement with Britain to take 291 million pounds of Wiltshire sides at a price which for that quantity would have netted us 52·4 million dollars. Britain actually did take 321 million pounds which netted us 57·6 million dollars.

Bacon is placed fourth on her list of essential products. There is a strong sentiment in government circles and elsewhere—and this is important to the people of Canada—to the effect that bacon is not an essential product, and could be placed much lower in the list. This is supported by two contentions; first, that bacon costs too much for its food value, and second, that the sources of supply have been so reduced that it would be impossible to maintain a ration which would be worth while.

[Mr. Gardiner.]

We presented our position to them, answering the last contention. We estimate that our entire surplus of Wiltshires this year will be 425·6 million pounds, or very close to the amount that Britain used to import from Denmark. We also estimated that we will have a million dollars' worth of offals and a million dollars' worth of bladders and casings which can be sold. We have therefore entered into an agreement under which we will deliver to Britain our entire surplus of Wiltshires, offals, bladders and casings for a total net to Canada of $69,300,000, or almost 17 million dollars more than the agreement of last year provided for, and more than 10 million dollars in excess of what we sold last year. This should clear our own market of all surplus, and maintain the ration in Great Britain at four ounces for this year. This should result in our own market being in a healthy condition, and encourage Britain to maintain either the present or a higher ration of bacon in future years.

May I throw out this warning: that this does not mean that we would be safe in Canada at the present time to go on greatly increasing hog production. We should establish hog production in Canada at the present time, put ourselves in a position to supply this amount throughout the year, and if we are successful in doing so, of good quality and in the quantity required, then next year I think we shall be able to persuade Britain at least to continue the present ration, and probably to increase it.

The terms of the agreement have been so drawn as to permit of the contract being operated this year on a lower cost basis than last year, and the quantity should make it possible to avoid the periodical gluts of last year. These two factors should result in the price level to the producers holding a favourable relationship to last year's average price.

The total number of hogs required to fill last year's agreement would have been 2·5 million. The total number required to fill this year's agreement will be 3·6 million. The total minimum earnings under last year's agreement would have been 52·4 million dollars. If we deliver only the minimum under this year's agreement, the total on Wiltshires will be 67·3 million dollars, and for all pork products, $69,300,000.

With regard to cheese and other dairy products, Britain did not wish to enter into an agreement to purchase butter from us if it would interfere with the quantity of cheese to be delivered.

Mr. HANSON (York-Sunbury): Would the minister be good enough in connection with bacon to name the prices of these commodities?

Mr. GARDINER: The price to the farmer of course cannot be named; it is a price that works out over the period. I have not the price at a Canadian port before me at the moment, but it will be published. I hesitate to try to quote it. I think I know what it is, but I might be a fraction of a cent out.

Mr. NICHOLSON: Is it as high as last year?

Mr. GARDINER: No, not quite as high as last year, but the better arrangements in connection with maintenance, margin for storage and that kind of thing, should result in a price to the farmer which compares very favourably with that of last year. But the price for delivery is not the same; neither are the conditions under which delivery is to be made.

Mr. SENN: Is it a set price and a constant price that is expected?

Mr. GARDINER: It is a set price to the government at the port, and the board determines what the packer is to get from it.

Britain places cheese next to wheat in her preference list. She could not offer as much for butter as our farmers can get in their own market. We therefore decided not to press for an agreement on butter, but to enter into an agreement on cheese. This does not mean that Britain will not take any butter, but if she does it will require to be marketed in the ordinary way, and any influence the government can bring to bear on the marketing will be brought to bear if advisable.

Last year we had an agreement to deliver 78·2 million pounds of cheese at a price which nets us 14 cents a pound at Montreal. We delivered 90 million pounds and received for it 12·6 million dollars. This year we have agreed to deliver 112 million pounds at 14·4 cents at Montreal. This will net us at Montreal 16·1 million dollars. If we can deliver more, Britain will take it. There is no limitation, either in our discussions or in the agreement, on the total amount, but she wanted us to commit ourselves to a minimum amount in order that she might be able to deal with her rations.

In addition to cheese there is an arrangement under which we may deliver condensed milk to the value of at least $3,750,000 or to the amount of 1,000,000 cases. If one totals these figures it will be found that if we deliver only the minimum amounts of food products the contracts call for, we will sell $93,691,000 worth of food products other than wheat and fish. If we include the fish and not the wheat, our export of food products to Britain this year will amount to $105,741,000. This will be the largest return from these products since the latter part of the last war.

Here I should like to place on *Hansard* the record for the last seven years, including the record under this agreement on the minimum amounts, in order to indicate what that means to the food producers of the Dominion of Canada:

VALUE OF EXPORTS OF CERTAIN CANADIAN AGRICULTURAL PRODUCTS AND FISH TO THE UNITED KINGDOM
CALENDAR YEARS 1935-41

—	1935	1936	1937	1938	1939	9 months 1940	Minimum for 1941
	$	$	$	$	$	$	$
Bacon and hams	19,733 529	25,138,590	32,467,171	30,494,762	32,287,291	42,445,697	67,300,000
Pork offals(1)	.....	.....	.....	.....	.....	.....	1,000,000
Sausage casings	719,283	462,428	559,887	422,118	319,315	547,951	1,000,000
Sub-Total	20,452,812	25,601,018	33,027,058	30,916,880	32,606,606	42,993,648	69,300,000
Cheese	5,986,819	9,359,453	11,825,692	11,023,338	10,802,873	11,253,203	16,100,000
Milk evaporated	1,069,666	577,538	1,362,651	1,733,533	1,251,404	1,202,597	3,750,000
Sub-Total	7,056,485	9,936,991	13,188,343	12,756,871	12,054,277	12,455,800	19,850,000
Honey	150,856	195,562	198,331	281,067	288,696	990,412	554,000
Tomatoes canned(2)	638,757	573,272	1,452,754	1,210,198	1,872,899	521,170	2,658,000
Apples, dried	31,980	24,351	34,724	13,034	17,454	125,489	177,000
Apples, canned	335,783	320,272	500,588	655,316	932,416	767,745	664,000
Fruit pulp(1)	.....	.....	.....	.....	.....	.....	266,000
Fruit pectin(1)	.....	.....	.....	.....	.....	.....	222,000
Sub-Total	1,157,376	1,113,457	2,186,397	2,159,615	3,111,465	2,404,816	4,541,000
Total above products	28,666,673	36,651,466	48,401,798	45,833,366	47,772,348	57,853,264	93,691,000
Salmon, canned	4,158,825	3,460,188	3,798,818	3,726,527	5,517,273	4,293,978	5,538,000
Other canned fish	1,307,875	985,353	1,128,547	1,195,525	1,078,471	1,126,923	3,145,000
Frozen cod	21	.....	204	267	67,027	69,246	3,367,000
Total Fish	5,466,721	4,445,541	4,927,569	4,922,319	6,662,771	5,490,147	12,050,000
Grand Total	34,133,394	41,097,007	53,329,367	50,755,685	54,435,119	63,343,411	105,741,000

(1) Not listed separately in trade statistics.
(2) Includes tomato juice.

Mr. HANSON (York-Sunbury): Will the minister also say whether he will table those agreements?

Mr. GARDINER: Oh, yes; they will be tabled as soon as they are in shape for tabling.

What about wheat? The position has been stated quite fairly by both the leader of the Cooperative Commonwealth Federation and the leader of the Social Credit party in so far as crop returns and storage are concerned. I did not go to Britain with authority to make an agreement on wheat. The duty of selling wheat has been entrusted by this house to a wheat board. It is not the duty of any minister to market wheat, but that of the wheat board which under the act reports to the Minister of Trade and Commerce.

Both the Minister of Trade and Commerce and the chairman of the wheat board asked me to discuss wheat and instructed their representatives in Britain to facilitate the discussions in every way possible. I wish here to state that I and those with me appreciated the assistance received from the very competent staffs of the Department of Trade and Commerce and the Department of External Affairs, including the high commissioner. In so far as wheat was concerned the assistance of Mr. Biddulph was indispensable. No official could know his job better or carry it out with greater courtesy and efficiency.

To illustrate Canada's wheat position to Britain I used certain figures, as follows:

	Million bushels
Wheat carried forward from previous years into 1940-41 and now in storage	282
Canada's crop in the year 1939-40	561
Stocks in sight to dispose of at August 1st, 1940	843
Canada will probably consume in 1940-41	130
Canada therefore has for sale	713
In the 14 years before the war, Canada sold to the United Kingdom an annual average of	90
Canada exported to the United Kingdom in calendar year 1939	132
Canada exported last year to all countries, except the United Kingdom which it is now open to her to sell	25
Canada exported before the war to countries now blockaded, an annual average of	35

The wheat carried forward from previous years covers the amount in the elevators of Canada at August 1, 1940, because I was dealing with the storage situation.

The United Kingdom imported 230 million bushels of wheat in the year 1938-39. It appeared, therefore, that Canada could meet the entire demands of the United Kingdom for wheat for the next three years out of her present stocks of 843 million bushels. Canada realized, of course— these were the representations made—that the United Kingdom would want to buy wheat also from countries other than Canada. But it appeared that in recent months about seventy per cent of the United Kingdom purchases had been of Canadian origin, and I suggested that the United Kingdom might think it desirable to maintain this percentage. On this basis it appeared that the United Kingdom would want to take about 160 million bushels of wheat a year from Canada.

With regard to the future, I examined the prospects first on the demand and then on the supply side. On the demand side, assuming that the blockade would not be lifted for two more years, Canada expected to be able to dispose of 160 million bushels a year to the United Kingdom, and to raise the consumption within Canada for food and feed from 130 million to 160 million bushels a year. During this two year period it thus would be possible for Canada to dispose of 640 million bushels at home and to the United Kingdom. In addition, Canada expected that after the blockade was lifted it would be possible for her to dispose of 160 million bushels a year to countries now blockaded, or say 480 million bushels over a three year period. Thus during the next five years, assuming two years of blockade and three years of offensive warfare or peace, it should be possible for Canada to dispose of the following quantities of wheat:

	Million bushels
To the United Kingdom: 5 years at 160 million bushels a year	800
By internal consumption: 5 years at 160 million bushels a year	800
To countries now blockaded: 3 years at 160 million bushels a year	480
Total	2,080

On the supply side, Canada could expect to produce on an average 380 million bushels of wheat a year. That is her average for the last fourteen years and more than her average for the last five years, including the last two crops. Her total production in five years thus would amount to 1,900 million bushels. To this should be added the 280 million bushels carried over into 1940-41 from previous years, making a total quantity of 2,180 million bushels which it would be necesary for Canada to dispose of in the five year period.

It appeared, therefore, according to the above figures that Canada would have 2,180 million bushels of wheat to sell in the five

year period, and that during the same period she probably would be able to market 2,080 million bushels, leaving a carry-over at the end of that time of only 100 million bushels. Moreover, if Canada continued to be able to sell 30 million bushels a year to those countries outside Europe which were not being blockaded, instead of there being a surplus of 100 million bushels at the end of the five year period the demand for Canadian wheat would be 50 million bushels greater than the supply.

I did not consider, therefore, that Canadian wheat producers need be pessimistic, but may I say again that there is nothing in these figures which should induce Canadian wheat growers to increase their acreage this year. As a matter of fact there is very much in them upon which to ask farmers at least to go back to the acreage they had in the year previous to last year, which was 2,000,000 acres lower than the land sowed to grain last year.

Canada could supply Britain's needs and did not anticipate that unsold stocks would grow to excessive amounts. The difficulty, however, was that of financing the quantities of wheat which would have to be carried. About 800 million bushels of wheat would need to be financed, of which roughly half would be financed for two years at a cost of about 80 cents a bushel and the other half for one year at a cost of some 75 cents a bushel, if the present arrangement is continued. This would mean that the Canadian government would require to put out about $320 million on the two year arrangement and about $300 million on the one year arrangement, making a total of $620 million. The dominion government is obliged to pay the farmer any additional amounts received for the wheat. It is generally admitted that 70 cents advance at Fort William, which nets the farmer about 50 cents a bushel, does not cover his total costs of production and therefore does not maintain him as a contented producer. If he is to receive more money, it must come from the sale price of wheat, or from the taxpayers of Canada, or from both.

Those were the representations made. We made it plain to the British government that we were there not to discuss an agreement but to get their opinions with regard to the wheat situation. I have received those opinions as a result of the representations made through officials of the department concerned, and I have presented them to the Minister of Trade and Commerce (Mr. MacKinnon) to be given consideration under his direction by the government of Canada. When he is in a position to make the pronouncement he desires to make with regard to the policy to be followed as a result of them, he will make the announcement to the house.

I believe I have more than exhausted my time. I am sorry I had not time to deal with the situation as I saw it in Great Britain.

Some hon. MEMBERS: Go ahead.

Mr. SPEAKER: With unanimous consent the hon. member may proceed.

Mr. MACKENZIE KING: I suggest, Mr. Speaker, that under standing order 37 the minister is entitled to continue, in reply to a motion of want of confidence. He is the first minister who has had an opportunity to reply.

Mr. HANSON (York-Sunbury): Oh, no, but let him go ahead; I am quite satisfied. I would not for one moment attempt to stop him.

Mr. MACKENZIE KING: My point is that the rule applies not only to one minister, but possibly to two or more ministers replying to the motion.

Mr. HANSON (York-Sunbury): That is only quibbling; but let him go on.

Mr. SPEAKER: It might be well to point out that standing order 37 is in these terms:

No member, except the Prime Minister and the Leader of the Opposition, or a minister moving a government order and the member speaking in reply immediately after such minister, or a member making a motion of "no confidence" in the government—

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

Mr. SPEAKER: "—and a minister replying thereto—"

Mr. MACKENZIE KING: That is it.

Mr. SPEAKER: "—shall speak for more than forty minutes at a time in any debate." The minister is now replying to that which, in essence, is a motion of no confidence in the government. Therefore he is entitled to speak longer than forty minutes.

Mr. HANSON (York-Sunbury): That is stretching it. How many replies are there?

Mr. SPEAKER: This very point was raised in the session of 1931 when the present member for Yukon (Mr. Black) was in the chair. On that occasion a minister was replying to an amendment which was considered to be a vote of no confidence in the government, and it was ruled that in replying the minister was entitled to unlimited time. I take the same position. The minister is now replying to that which in essence is a vote of

no confidence, and under standing order 37 he is entitled to speak more than forty minutes.

Mr. GARDINER: I had not intended to continue beyond the point I have now reached, and because of that I did not bring any notes with me to deal with the matter. For that reason I shall discuss it only briefly, in any case—at least, I hope I shall be brief. If I were to tell the whole story I could not be.

In order to follow up the observations I made at the beginning of my speech it will be necessary for me to read the first part of the amendment moved by the leader of the opposition (Mr. Hanson).

Mr. HANSON (York-Sunbury): The motion of want of confidence is that of the hon. member for Lethbridge (Mr. Blackmore). I submit in his observations the minister is going beyond the rules. However I have no objection; I believe he ought to be allowed to make his speech. If he had not taken so much time with his blitzkrieg at the beginning, he would have had time to complete what he had to say.

Mr. GARDINER: Mr. Speaker has given his ruling, and I am proceeding on the basis of it. With reference to the "blitzkrieg" I would just like to suggest that when the leader of the opposition can rise in his place and move an amendment which to all intents and purposes is one of want of confidence in the government, and when the leader of another group can get up and make a similar motion, and it is then suggested that no one can reply, I say we have gone a long way from the democratic kind of government.

I do not wonder that the leader of the opposition does not want me to read the amendment again, because the first part of it is in these words:

> We respectfully submit to Your Excellency that this house regrets that the government has continued to soothe the Canadian people regarding the war effort of the nation, thereby creating a false sense of security when a clear-cut call to action is desperately needed.

The clear-cut call to action, Mr. Speaker, came on September 3, 1939. The government of Canada acted even in advance of that date, in order to prepare for that clear call. When the clear call came, the government of this country placed itself side by side with the government of Great Britain to fight the enemies of democracy. So we have remained, down to this day.

During the time I was in Great Britain I had the opportunity of seeing most of what is to be seen. The government of Great Britain did what they always do for representatives of this government who go over there. They placed their officials, they placed themselves and all the organizations set up to take care of the production of munitions and arms and shipping at the disposal of myself and those who went with me. Not only did they do that, but they placed at our disposal facilities to enable us to see everything that was to be seen.

I visited everything that I cared to visit from the port of Dover in the south—incidentally it was being shelled and bombed the day I was there—to Kyle in the north of Scotland. I visited Wales. I visited many of the parts I cannot name. I visited shipping points. I visited plants in which aeroplanes were being constructed. I visited munitions plants and saw all stages of their production. I visited plants that are producing small arms, and other plants that are building the largest guns being produced in Great Britain at the present time. I should add to that something which is perhaps as important as anything I have said up to this point, namely that I spent all of four weeks, but three week-ends in the city of London, where bombing is going on continuously.

After seeing all that I have seen—eleven million people walking the streets of London in day-time and at night, if they had to go out, making their way about in the darkness as best they could—I have come back with the feeling that if I never had pride before in the fact that I am a citizen of the British empire, I could not but be inspired by the endurance of these people and the courageous front they are presenting to the attacks of the kind which are being made—attacks not on armies, but on old men, old women, boys, girls and mothers. Fourteen thousand civilians have been killed in the battle of Britain, and less than three hundred soldiers. Yet the civilian population of Great Britain, and particularly that of London, is standing up to the attack with all the fortitude and endurance of a well-trained army.

When I went to Great Britain I took with me a picture I had seen in a theatre in Ottawa just before leaving the country. It showed the wharves and docks in east London, burning. The landscape as far as one could see was dotted with chimneys standing alone and with walls of buildings partly destroyed. The final scene was that of a group of school boys and girls who were looking at a demolished tenement which had once been their home. I took that picture to Great Britain. I took a picture which I had envisioned from broadcasts I had heard, some of them from Germany. When I left Canada I thought that Great Britain must be fairly well tied up as a result of the attacks which are being made. But when I arrived on

the other side I was agreeably surprised to find that in the port at which we landed I had to go round and look for the buildings which had been destroyed. I had to search for damage to wharves. I had to search for damage to shipping. As I went down in daylight from that port on my way to London I had to search for any damage that had been done, either to the artery of transportation upon which I was travelling or to the surrounding country.

When I reached London the picture was a little different. But even though buildings were destroyed here and there, for every one destroyed there were a hundred or a thousand, depending upon the district concerned, still standing. We heard of one store being bombed while we were on our way to Britain, but I was able to buy in that particular store most of the things required while I was in Britain. I walked into it a few hours after I reached London. I saw young girls and clerks who had been working there for years. I saw men and women who, I suppose, had been associated with the business all their lives—standing behind the counters and doing business in the same old way. I walked up and down the streets and saw signs "open as usual" on building after building, and on those of which the windows had been broken, I saw the inscription, "more open than usual." That showed the spirit of the people.

On my second day in London I was walking down Piccadilly and I heard my first bomb when outside. I wondered whether it was landing just on the other side of the building which I was passing, or whether it was a mile or so away. I looked around to see where I might go if the next one hit a little closer, and I was surprised to see young men and women riding up and down the street on bicycles, going to their work as usual and carrying on with a spirit which indicated that Hitler could not scare them. I am reminded of an incident which I think will impress everyone in the house. On the boat going over was a group of Americans on their way to fly in the service of Britain. One of them came back on the ship on which we returned, having to return to the United States on business. He told us that he had been in a certain hotel when one wing of the building was blown away. He came down the next morning and was talking to the lady in charge of the hotel. She said, "You know, Hitler puts those whistles on the bombs to scare us." He replied, "Well, he has made a hundred per cent job of it with me." He then went on to say that Hitler certainly had not succeeded in scaring the proprietress of this hotel, or the girls who were waiting on the tables. He had not succeeded in scaring those who had to go to their different places of business.

This is the spirit of Britain at the present time. Having seen Britain carrying on in that way, having seen London carrrying on in that way, I do not think the people of Canada or the members of this house need have any worry as to the final outcome of the war.

In his speech the leader of the opposition (Mr. Hanson) referred to a remark made by the Prime Minister of England to the effect that England would be ready to take the offensive in 1942. That is the spirit of Britain to-day—that they will be ready to take the offensive in 1942. In the meantime they are carrying on. In order to bear out the contention of the first part of his amendment, a little later on the leader of the opposition referred to the fact that when the members of the United States delegation were in Canada the week before I left they found that Canada was preparing to be in position to take the offensive in 1942. Having regard to those two statements by the leader of the opposition, I can scarcely understand the necessity for his amendment.

Britain is carrying on with the idea that she has sufficient forces, sufficient supplies, sufficient in the way of defence, particularly in her fleet and in what air force she has at the present time, to prevent a landing in Britain. She is confident that if an invasion is attempted by Hitler she will be able to repel it, even though some troops do land on her shores. She is saying to her people and to Canada that the most important task to be performed at the present time, while Britain is holding the channel, while Britain is holding the fort for the democratic nations of the west in order that they may prepare and help her prepare, is to provide the wherewithal to put men in the field. Without quoting anyone on the matter, may I say that the impression I gathered from my discussions in Britain was that it would be a crime on the part of any government in any democratic country to play into the hands of the totalitarian states of Europe by attempting at this time to put on an offensive.

Our task to-day is that of holding the line where the line now is, in the channel, in Britain, and doing everything we can as a country to help Britain out in her herculean effort. At the same time we must keep it in mind that when the day does come to go forward, not only must we have every man fully supplied with guns, with all the

machines of war and the means of transportation necessary to take him forward as rapidly as Hitler crossed Europe, but we must have the necessary trained man-power to handle all the instruments of war and put them into operation against Hitler on the continent. It will require the most careful coordination possible to bring these two desired results to completion at the same time. It is only when our armies have driven his armies back to the borders they should occupy that we will have proven to the world that democracy must and will be kept secure.

Britain believes that this continent is going to do more to help her than any other part of the world in the supplying of foodstuffs, such as I have been discussing this afternoon, and in providing the necessary munitions of war and equipment. More than anything else, we can help by providing the ammunition to be put into the guns that are to be used by the army. Britain is in position to-day to defend herself and she will be in position in 1942 to go forward on the offensive. When she is in that position Canada will be marching side by side with her just as she has been ever since September, 1939.

Mr. GORDON GRAYDON (Peel): Mr. Speaker, along with other hon. members I listened with rapt attention and concern to the latter part of the speech of the Minister of Agriculture (Mr. Gardiner). I listened with deep interest to the middle part of his speech, and I listened with not a little humour to the first part of his address. I want to say to all who are within range of my voice that what the Minister of Agriculture so aptly said at the end of his speech was something which the Canadian people needed to have said to them. Perhaps the same thing would apply to the middle part of his speech, but I say with all seriousness and concern that the Canadian people in these days did not need the first part of the minister's address.

I doubt if there is a member in the chamber who has a higher regard personally for the Minister of Agriculture than I. I think we all realize his abilities and capacity. I was going to say at the start of my address, had the minister not preceded me, that this house and parliament were meeting in a different atmosphere from that which prevailed last session, but I had to amend my remarks because the minister's speech to-day was very much like the one he made at the opening of the previous session of the house. May I say to him in all kindness and good humour because I do not want him to take any offence—I would rather he take a lesson than take offence—that many people in Canada feel that, however much of a colossus the Minister of Agriculture might be regarded by many other persons in different parts of the dominion, the work of the cabinet should be divided up among the various ministers. If the Department of National War Services is as important a department as we were led to believe when it was first formed, and if one of the most important domestic problems facing the people of this country to-day is that of the farmer, then surely if people are complaining to-day that one man should hold in his own hands these two portfolios, what will they think after his speech this afternoon when he constituted himself the minister of national Liberal defence in the dominion? It almost seemed to me as he was speaking that he was posing as one of the commanding officers of a Liberal Maginot line which had long ceased to exist so far as being an important factor in the public affairs of Canada is concerned.

The atmosphere of the house has changed somewhat since last we met here. It will be recalled vividly by every hon. member how this house met last session in a very sober and serious, almost a militant mood. We were fearful of certain consequences from the events then taking place abroad, and our fears seemed to justify every precaution being taken and every warning which was then being given.

But to-day, because of the very circumstances which the Minister of Agriculture so well explained in the latter part of his address, the people of the Dominion of Canada are convinced that Great Britain is not in the same dangerous position she was in during those days. She has shown by the courage and grim determination of her people from one end of the British isles to the other that Great Britian is prepared and able to take care of herself against the best that the aggressor nations can throw against her. Therefore to-day, while danger still exists, there is much more confidence among our people and the world at large in Britain's chance of success. But that does not mean that there should not be a word of caution given to the Canadian people to-day. I am afraid that throughout the length and breadth of this country there does appear at times to be a certain apathy regarding our war effort. I am not going to lay the blame for that on any particular individual or any one organization or any particular government. But I say that if Canada and its people, as the Prime Minister (Mr. Mackenzie King) said, must pass through darker and more terrible days before victory is achieved, then if the government does no more than show

by its war effort as it is unfolded to us that it is earnest and aggressive in seeing to it that the last ounce of Canada's strength is utilized for the purpose of achieving victory for the empire, it will have done a good job in calling parliament together at this time.

To my fellow members of the opposition I say that our duty as I see it is not to embarrass or unnecessarily to criticize the government in power, which is charged with responsibility for the conduct of our war effort. As I see it, it is not our duty as members of his majesty's loyal opposition to place political barbed wire entanglements in front of the efforts of the government in power, but rather as members of the opposition we should see to it by way of criticism, suggestion and otherwise that the war effort of Canada is increased in its tempo and that the maximum results are obtained by reason of our efforts in that direction.

While I say this to our own members on this side with regard to unnecessary criticism of the government, may I also say that a similar responsibility rests upon the Prime Minister, his colleagues in the cabinet, and the government supporters in this house. I say this seriously, I mean every word of it, and I direct it particularly to the Prime Minister now sitting in his seat, that there has been, I believe, in the past some thought in the minds of the government that everything that those sitting on this side of the house brought forward had some reference to the political fortunes of the party with which the speaker was identified. I hope that that will never be thought of his majesty's loyal opposition, because, Mr. Speaker, the opposition is sincerely anxious that Canada's war effort be prosecuted with the utmost vigour; and when criticisms are made, it is the duty of the government to take those criticisms in that light, as made for the advancement of the welfare of our fighting forces and of our Canadian war effort generally. It is a means whereby public opinion throughout the country can be brought solidly behind our war effort and a means of ensuring that every essential thing is done in the proper prosecution of our war effort. Within the four corners of what I have outlined lies, I believe, the real function of the opposition in this house. I myself have never felt more earnest in my desire to see the government do its best in prosecuting Canada's war effort. Let the Prime Minister and members of the government generally take all the political kudos they like out of that war effort, but let them give us the very best they have. That is what we are asking and we ask for nothing less than that.

[Mr. Graydon.]

I shall make only three or four suggestions to the government, and I believe they all have an important bearing on our national war effort at this time.

May I say first that I believe we are not exercising proper economy in the ordinary expenditures of this country. I may be entirely wrong but I am convinced that the government is not meeting the wishes of the Canadian people so far as ordinary expenditures are concerned, apart altogether from our war effort. People do not mind money being spent on our war effort, although even there they want it spent in a proper way, because all our people realize that their money in the banks, all the money they have invested in property, bonds and in insurance companies will amount to nothing unless Great Britain, Canada and the empire generally win this war. That is why they raise no objection to money being spent properly on our war effort. But may I point out that for the fiscal year ended March 31, 1939, the budgeted ordinary expenditures of the dominion—and I am taking these figures from the estimates themselves—amounted to $430,000,000. That was in time of peace. Those same ordinary expenditures for carrying on the affairs of the country amounted in the fiscal year ended March 31, 1940, to $520,000,000. During part of that year we were at war. But the estimates for this fiscal year ending March 31, 1941, so far as ordinary expenditures are concerned, were cut only to the amount of $448,000,000, which is $18,000,000 more than our expenditures amounted to in a time of peace in the fiscal year ended March 31, 1939. This is not good enough for the people of Canada. They want economy in our ordinary expenditures.

Another thought which has been much in my mind for a number of years is that this government might devote a good deal of attention to the question of the height of the salaries which some men are getting for their participation in our war effort. Let us have a fair deal in this respect. I would not like to be considered a demagogue, but, regarding the salaries which are received by civilians connected with our war effort who take no risk whatsoever, I would plead with the government to review the circumstances and at once remedy the inequalities, wherever they may be found.

We have experienced, in the present stage of our war preparations, a great scarcity of trained men and trained women. There are many who would go back as far as the time before the declaration of war to criticize the government on this account. To my mind, however, that is water under the bridge: I

am not going to bring that up because after all it will not assist or advance our war effort. But I suggest that it is not too late for the administration to take a firm grip of the matter and see that, for the strenuous years that no doubt lie ahead, there will be a sufficiency of citizens trained for the necessary activities to which our war effort will lead. Already there are groups of women throughout the country taking the initiative in this matter. I suggest that the Minister of National Defence (Mr. Ralston) take cognizance of these groups which are in training and see that they are given the necessary encouragement, so that we shall have not only an adequate number of men and women trained for defensive purposes, but also an adequate number of men and women trained for our requirements in connection with the manufacture of munitions of war.

References were made in the able speech of the hon. member for Hastings-Peterborough (Mr. White) to the question of soldiers' transportation. Perhaps nothing more need be said than again to draw the matter to the minister's attention. I believe the Minister of National Defence will be well advised to take into sympathetic consideration the merits of this claim, which is being voiced not only by the men of the armed forces, but by their dependents all over Canada who are suffering from the inability of these soldiers, because of their financial obligations, to pay the cost of transportation for long distances while on leave.

Akin to this is another matter which I do not believe has been mentioned. I am sorry that the Postmaster General (Mr. Mulock), who is a neighbour of mine, is not in his seat. I am one who believes that we cannot do too much for the men who are standing between us and Hitler and Mussolini. Sometimes we forget this. Sometimes, absorbed in our big administrative set-ups, our war boards and the like, we forget that there has to be somebody to stand eventually at the point of the gun between the aggressor nations and ourselves. The men who have enlisted, the men who are in active service for our country, deserve in my opinion very special consideration. The question of transportation is one matter; another is the provision of some arrangement for free postage on parcels and letters going from Canada to our troops overseas and vice versa. It might even go further and include the troops in this dominion and elsewhere. After all, it is not very much to ask of the government. There would not be any great loss of revenue, and it would be one more indication that the people and the government of Canada are anxious to do something for those who in their behalf have taken upon themselves the risk of losing life or limb.

I wish now particularly to draw the attention of the Minister of Munitions and Supply (Mr. Howe) to a matter which, although it has already been mentioned in this house, has perhaps not been emphasized to any extent. It is the minister's onerous duty to look after the affairs of the Canadian Broadcasting Corporation in so far as their relation to the House of Commons is concerned. I am one who has consistently urged, in this chamber and out of it, that we should have some review of the situation at the Canadian Broadcasting Corporation, so that what I have to say this afternoon is no new idea of mine. I was amazed to find, in the issue of the *Globe and Mail* of October 24, 1940, under an Ottawa date mark of October 23, the following news item:

> Alan B. Plaunt, member of CBC's board of governors since 1936, has resigned because he could "not continue to accept responsibility for conditions of organization and management," he revealed last night.

The news item goes on to say:

> Plaunt tendered his resignation on August 30, to Hon. C. D. Howe. Dissatisfaction with conditions in the organization led to his making a confidential survey last summer, Mr. Plaunt said to-night. His report was submitted to the board of governors last autumn and no action has since been taken.
>
> In his letter of resignation Plaunt stated he was taking the step because, "I feel that as a public trustee I should not accept responsibility for the internal organization and executive direction of the corporation when I have long ceased to have confidence in it."

That is the situation, Mr. Speaker, which, I think the minister himself will agree, should be aired before the country at once. I shall be very much surprised if he will not bring this to a parliamentary committee for review at once. I think I know something about his view in this matter, and I am sure that all that needs to be done is to draw his attention to it. The letter which is alleged to have been sent by Mr. Plaunt to the minister contained these two paragraphs, which are so short that I should like to put them on *Hansard:*

> I would have taken this step early in the year had not my colleagues given me some reason to hope that the serious defects revealed by the reports prepared at their unanimous request by Mr. J. C. Thompson and myself would be remedied. I have however finally been obliged to conclude that this is not the case.
>
> It is my considered view that the present conditions seriously hamper the corporation in fulfilling its function in the war emergency and prejudice its survival as an effective instrument of national unity afterward.

I have always been a supporter of the national idea in broadcasting; and for that reason and others, may I suggest that the minister lose no time in, first of all, tabling the correspondence between that member of the board of governors and himself, and any other pertinent letters. This, I see, has already been asked for on the order paper. More than that, I call upon the government now to see that we have a special committee this session to deal with the matters which were raised by Mr. Plaunt in his letter of resignation. Remember that in this country nearly $3,000,000 of the people's money is collected through radio licence fees, and the public have a right to know what is going on. This letter of resignation was tendered in August, and I suggest that the government should lose no further time in dealing with the matter so that the people of Canada can come to a conclusion once for all.

I want now to deal with a matter referred to by the Minister of Agriculture this afternoon. I do not know whether I was one of those to whom he referred who could not by the greatest stretch of imagination be called farmers. Perhaps he is right with regard to that; I would not suggest that I am a farmer. But when I was out west this year I learned that he was not a farmer either, he was a school teacher, so I do not think people who live in glass houses should be throwing too many missiles my way.

Mr. GARDINER: That was about thirty-five years ago.

Mr. GRAYDON: I understood the minister did not claim to be even that old. But what the minister said about agriculture being one of our main problems is correct. I think agriculture should come into its own this session as far as attention in the debates of this house is concerned. While industry in many places has been getting a fair share of war orders, and the labour slack has been partly taken up, the war seems to have meant very little in the way of helping the farmers of Canada in the marketing of their crops. In many instances markets have been cut off. I could not help feeling sorry for and having a deep sympathy with the men and women of western Canada when I paid them a visit for a couple of weeks this fall. I realize to the full, as everyone in Canada must who sees their conditions, that the western farmer, as well as the farmer of eastern Canada, must have a fair break if he is to exist at all in this economy as we have it. There are certain major items which affect the farmer's condition. The war effort has of course produced a scarcity of farm help. There has also been a rise in the prices of many commodities that the farmer buys. Many men in our part of the country have had to pay a good deal more for binder twine and agricultural implements this year, to say nothing of the ordinary expenditure for maintaining their homes and their undertakings. But while all this is going on, let us see whether the bright picture of wider markets painted by the minister this afternoon is as bright as it ought to be. While he went overseas to try to get markets for Canadian producers, he might have barred the back-door before he left so as not to let too much come in; for, after all, it is not much use selling on one side and taking it in on the other.

I have here a few figures which I should like to quote. From January 1 to September 30 of this year—September being the last month for which we have figures—according to the bureau of statistics we allowed into this country over 34 million pounds of United States pork and pork products of a value of $3,405,530.

Mr. GARDINER: Nearly all in the first two months.

Mr. GRAYDON: I will take the minister up on that. He is always very good at figures although he did leave some important ones at home this afternoon. Perhaps these are some figures he has not seen. In the first two months exporters to Canada did pretty well; in January we bought over eight million pounds and in February nearly fifteen million. But we have not dried up the source because in the following months our imports were:

	Pounds
March	2,086,000
April	1,600,000
May	1,827,000
June	1,353,000

Even in September we have over 1,500,000 pounds of pork and pork products coming from the United States.

Mr. GARDINER: It is all in the quota.

Mr. GRAYDON: That brings me to something the minister said this afternoon. Some mention was made of apples and other fresh fruits and vegetables. When the minister talked about the war being the cause of the troubles of our fruit and vegetable growers he went a long way to find a cause, for this is something which has been before this house for a good length of time, as he well knows. He had better make a trip to Washington before he loses the idea of travelling; it would be a good bit of business for him.

Mr. GARDINER: I was just quoting the leader of the Cooperative Commonwealth Federation.

Mr. GRAYDON: I understood he was one man the minister never quoted. We have this question of fresh fruits and vegetables in which the minister is so much interested; I wish he had shown more interest earlier. This is the position with regard to fresh fruits and vegetables entering Canada from the United States in 1939, the year in which the war broke out. We brought in from the United States fresh fruits to a value of $13·5 millions, and fresh vegetables to the value of $5·4 millions, and certain other items bring the total close to $21 millions. We shall see what has happened this year.

The worst feature of this is that not only are we taking this market from the fruit and vegetable growers of Canada, but look at our foreign exchange position with regard to purchases of war materials. Everybody in Canada knows that this government needs every dollar it can get its hands on to buy materials to fight this war, and much of those materials come from the United States. Yet up to the end of September, 1940, this government has allowed to come into this country nearly $12·5 millions of fresh fruits and over $5 millions of fresh vegetables—in line with what we imported in the same period of last year or preceding years.

Men who come from fruit and vegetable growing districts have pleaded for years with the government not to let the fruit and vegetable growers bear an unfair burden of the tariff arrangements between these countries. If ever there were a reason for doing something for these men and at the same time doing something vital for Canada, now is the time. I call upon the Minister of Agriculture and the government to help save our exchange position and at the same time remove this detriment to our fruit and vegetable growers. Let them act quickly, because action is long overdue. Whether they are right or wrong, there are among the farming population many people to whom I talk who believe that everything they sell is in a measure pegged in price. I have no objection to the pegging of the price of butter, as indicated in the newspapers yesterday, provided the pegging is going to take some of the profits from speculators in butter in Canada, but I do not think any of the consumers want to take the hide off the farmer in having the price of butter pegged. The farmer now says, "If you are going to peg all my prices you had better start to peg some of the high salaries being paid people in Ottawa in connection with our war effort," and that is only fair.

I only want to add that as far as Canada is concerned we in this country will have to go through a period of blood, sweat, toil and tears, as the Prime Minister of Great Britain once said. I believe we shall have to make greater sacrifices than we have made so far. I am sure the Canadian people will be glad to make those sacrifices, but in these times it is of the utmost importance that in a democracy such as this we have good leadership. I am going to ask the government to review the entire salary set-up, not only with regard to the war effort but in every other connection as well, in an endeavour to show the people that we are really serious in this business of beating Hitler and Mussolini. We in Canada no longer can expect to sit by and maintain the accepted standards of leisure, comfort and convenience. I think that day is hastening to a close. Let me warn the government that the world of yesterday will not be the world of to-morrow, so let us as a government, as a parliament and as a nation prepare for the changes which must come about. As the representatives of the Canadian people, for whom we speak, we pledge their support to the government so long as the government gives the right kind of leadership in carrying out Canada's part in this great empire effort.

I should like to conclude with the suggestion that parliament was called to meet this month principally for one purpose, namely, in order that the story of the government's war effort might be properly given to the Canadian people. There is only one subject in which the people of this country are interested now. They are not interested in whether it happened to be a Liberal, a Conservative, a member of the Cooperative Commonwealth Federation or someone else who advanced some particular suggestion years ago. I want to tell the Minister of Agriculture that if he holds that belief he belongs to an antiquated political school.

Mr. GARDINER: Then how does my hon. friend explain an amendment dealing with agriculture?

Mr. GRAYDON: I am sorry the minister has been so busy talking to his neighbours. I thought I had given a complete explanation in that regard, and it may be that even some of the more important subjects with which I have dealt have escaped his attention as well. This war effort is the only thing that counts. I tell the minister it does not make any difference whether one party or another survives in this country, so long as we win this war. That is the main thing. I would like to see the minister, with all his ability, drop his partisanship from now on and continue along the line of the last two parts of his speech. He was wonderful then, and I was glad to be a Canadian with him; but I was not so glad when I listened to

the first portion of his speech, and I hope that sort of thing is never repeated in this house.

We were called here to discuss the war effort, and to find out what the government have been doing. We gave the government a blank cheque. Perhaps I should not be carrying out my undertaking if I said anything about blank cheques; the Minister of Agriculture and I have a truce in connection with this matter, so I shall not again in this house bring up anything in that connection. But the government did obtain a blank cheque from parliament and from the people of Canada last year, and from time to time that blank cheque has been extended. There have been conferred upon the governor in council powers such as were not dreamed of in the past, but many people in Canada because of this change are not acquainted with the development and progress of our war effort. For that reason it became important that this session should be devoted to a thorough airing of the entire war effort of this country. I was amazed that the first two or three days of this session were not given over wholly to a complete story of what has been done by the various ministers; that was what I expected and that was what the Canadian people expected. That is what the people want. I should like to serve notice on the government this afternoon, not only on my own behalf but also on behalf of the party to which I belong, that the sooner they bring down full reports of our war effort, the better the people will like it. More than that, Mr. Speaker, anything less than the speediest possible elucidation of the situation will not satisfy Canada.

I leave that thought with the government this afternoon in the sincere and earnest hope that a disclosure of our entire war effort will show that something worth while has been done to help the empire and in particular to help good old England in her hour of trial.

Mr. F. W. GERSHAW (Medicine Hat): First of all, Mr. Speaker, I should like to tell the Minister of Agriculture (Mr. Gardiner) that we are glad to see him back in his place. We congratulate him upon his trip and we congratulate him upon his speech this afternoon. His words will bring fresh hope and courage to many of our Canadian producers. We will get good government only when we have a strong cabinet and a watchful opposition; but if the opposition claims the right to criticize every action taken by the government, surely the right of the government to reply should not be questioned.

Something has been said about Canada being soothed into a false sense of security. As I meet people throughout this country I certainly do not get that impression. I believe the Canadian people have done a marvellous job of preparing for the great struggle in which we are engaged; and as the days go by, I am sure the ministers will explain fully what great strides have been made towards turning Canada from a peacetime economy into a warlike camp. I should like to pay tribute to the Prime Minister (Mr. Mackenzie King), because during the many years in which he has led a large party in this country he has had one great aim and ambition, to keep united the various races and interests in this dominion and to maintain good will with our immediate neighbours. Now that the great testing time has come, Canada goes into this war as a united country, and our neighbours are in sympathy with us. Not only is this fact recognized throughout the length and breadth of the dominion; the Prime Minister of Great Britain, than whom there has been no greater, said this in part in a cable to the Prime Minister of Canada:

> I am glad to have this opportunity of thanking you personally for all you have done in the common cause, and especially in promoting harmony of sentiment throughout the new world. This deep understanding will be a great factor in . . . the rescue of Europe from a relapse into the dark ages.

With your gracious permission, Mr. Speaker, since hon. members are allowed wide latitude in this debate I should like to discuss some local problems, and also attempt to give the house some reasons, as I see them, why Canada is engaged in this great conflict.

As has been said here to-day, agriculture is the greatest industry in the country, because it provides our supplies of food. In the west we have 60,850,000 acres of improved farm lands, of which 38,320,000 acres are sown in different cereal crops and 17,850,000 acres are annually under summer-fallow, for moisture conservation and for the control and destruction of weeds. There is also in pasture and unbroken land an area of about 35,000,000 acres, used for the support of 3,900,000 cattle, 1,900,000 horses and 1,300,000 sheep.

Between the years 1929 and 1938, Canada experienced a series of crop failures owing to drought and soil drifting. The area involved corresponds closely with what is known as the Palliser triangle. In 1860 the British government sent to Canada a man named Palliser to make a survey of the western country. He carefully observed the nature of vegetation he found on the land, and marked out an area beginning in the western part of Manitoba, running northward and westward to Saskatoon and Battleford, and

then south and westward to the Rocky mountains, at a point just west of Lethbridge. The base of that triangle is the international boundary line. This area, he reported, would not support a farming population.

To-day this area corresponds generally with the area under the control of the Prairie Farm Rehabilitation Act. In 1937, one of the worst years, the average yield in the area was only 2·6 bushels an acre. In 1939, which was not so bad, by any means, the 300,000 farmers each received an average income of only $1,605. I am sure hon. members will realize that this small amount would not go far toward paying for machinery and hired help, as well as providing other necessities of farm life.

Doctor Archibald, who has compiled most of the figures I have before me, points out further that various governments, and particularly the one now in office, have done a great deal to help those engaged in agriculture in that district, and throughout western Canada generally. For instance, 200,000,000 trees have been distributed. What has been learned in the light of recent discoveries seems to indicate that different methods of agriculture will bring better results, as climate and soil conditions are better understood. Then, 3,454 stock watering dams have been constructed, to provide water for live stock. In addition, 9,945 dug-outs and 833 irrigation projects have been completed. Marginal lands for some thirty community pastures, with an average acreage of 20,000 acres each, have been procured. Ninety per cent of the land has been covered by recent soil surveys. Development by experimental farms of early ripening wheat, such as marquis wheat, has in many instances saved crops from early frost damage. Reclamation stations and regrassing demonstrations have been established at about 600 points.

Then, in order to help the man who, through no fault of his own had experienced a crop failure, some 58,000 farmers were paid an acreage bonus, because they received such a small yield from their land. These payments have cost the government about $12,000,000, and about $2,000,000 of the amount has been collected by a tax of one per cent on all grains.

In addition, about 204 agricultural improvement associations were formed. I see great possibilities in these organizations, because men from certain districts with similar problems may gather together, pool their experience, work out policies and advise the government about their particular districts. They have rendered a great service in connection with the distribution of seed, and matters of that kind.

The wheat problem will be fully discussed during this session. I can say only that it is fortunate the government has stepped in to buy wheat. Otherwise there would be little or no market for it. While the farmers are receiving a price below the cost of production, yet I say it is a price better than could be obtained in any other way. Great help has been given the live stock industry through the trade treaties which have been made. If there is one policy which has worked out successfully, I would say it has been the trade policy of the government. We now have admission to the great markets in the United States. We have generous quotas, and the rates of duty are about half of what they were in previous days.

Many other things have been done to help the farmer. Yet, every hon. member coming from western Canada must be convinced that, so far as the farming industry is concerned, we are still almost in a state of crisis. If one drives through the country he will see buildings falling in ruin; he will see homes lacking furniture and ordinary comforts. In that country there are women and children who lack the clothing they should have. Reading material, and many of the useful things which tend to make life on the farm less wearisome and lonesome are lacking in those prairie homes. Recently I visited a district consisting of quite a number of people, and yet in that section there was not one radio. Children and adults are not living under those ideal circumstances where one finds equality of opportunity. The children are greatly handicapped because of the distance they have to go to school, and the work they must do. Adults have to endure many hardships to make a living. I say, therefore, that there are things which the people in the west need, and need urgently.

We need more irrigation. There should not be one gallon of water allowed to trickle northward to the Arctic ocean, when it is badly needed in the drought stricken areas of the middle western part of Canada. There is an old Chinese saying that one picture is worth a thousand words. I am sure if some hon. members could see the results of irrigation schemes which have been completed, they would not hesitate to vote money for more schemes of a similar kind. In the spring time streams of water flow down from the sides of the mountains and the hills. But in the summer those streams dry up, and we have nothing left but the dusty, barren soil. In many instances dams can be constructed, and thereby great bodies of water can be saved and released when they are needed. In that way the farmers may keep beef cattle or milch cows for the benefit of

their children. They may plant gardens, and produce flowers and things of that sort, which would make their homes more home-like. No investment could give better results.

Then we need good roads. We have not a satisfactory trans-Canada highway at the present time. It is true that it has been gravelled, but in places the gravel is quite thin and the gumbo works up so that the gravel is down and the gumbo is up. The result is large lumps on the road, and the tourist from the United States comes once, but never again. He goes home and tells his neighbours not to come, and the result is that Canada loses considerable revenue. The Minister of Finance (Mr. Ilsley) loses considerable exchange which he values so highly. I believe expenditures on roads would be money well spent. Good roads would attract more people to this country to help consume our surplus products and bring about a measure of prosperity.

It has been said that markets for our products, particularly wheat, are becoming hard to find. Such being the case, we should divert our efforts to the growing of crops that can be sold. Britain, a thickly populated country, produces something like 22 per cent of the sugar she consumes. The United States produces something like 25 per cent of its consumption, but Canada, a sparsely populated country, produces only 15 per cent. I believe the encouragement of this industry would help to do away with our great surpluses of wheat and bring about more prosperity. There are other things we need, such as social legislation to provide for the aged and the sick. There should be a more equitable relationship between the prices of those commodities we have to buy and what we receive for the products and services which we have to sell. If that is brought about, it will be much easier to balance the budget in the average home.

For the remainder of my time I should like to discuss that great issue which is to the fore in all countries of the world at the present time. Why is Canada fighting? We are fighting for self-preservation. For two hundred and fifty years Great Britain has known that her safety depended upon the sea lanes being kept open and the countries of Europe being prevented from coming under the domination of any one power. The sea lanes must be kept open in order that Great Britain may bring in the foodstuffs necessary for her great population. When Hitler showed by his repeated aggressions that his ambition was conquest, the very existence of Britain was endangered. What did Britain stand to lose? After a long struggle through the centuries, after many trials and errors, her people evolved a civilization based upon a Christian code, based upon honour, a civilization having the freedom of democracy. Why should all this be surrendered for a lower state of civilization? It has cost the people of Britain dearly to gain what they have. Governments have fallen, kings have been dethroned and beheaded, and much blood has been shed. We of the present day, as custodians of what has been won in the past, must not surrender these precious things.

We do not want a civilization under a dictatorship where our citizens would not be allowed to criticize the acts of the government. We do not want a civilization where of freedom there would be none, where opposition would not be tolerated for a moment or be punished by death or internment. The continent of Europe is under the control of dictators. There is not one public speaker on the platform or over the radio, there is not one editor who dares to express opinions different from those held by the dictators. We are fighting for our empire and for our liberties, but we are also fighting for something more. We are fighting to maintain Anglo-Saxon ideals; we are fighting to preserve a country where there is more and more of self-government, where there is a greater abundance of comfort and the good things of this world. We are fighting to preserve a civilization which has less of that monstrous doctrine that might is right.

Defeat means that we shall be a vassal state. We are fighting for our possessions, but that is the least of the things for which we are fighting. Sacrifices are not being made to preserve just our material wealth. We are fighting in the interests of mankind in general. We have a vision of a land fit for heroes. We are fighting for a better world where there will be no unprovoked aggression, where women and children will not be heartlessly bombed. I should like to compare the aspirations of the heads of the two chief combatants in this struggle. Hitler says that Germany will be mistress of the sphere, that she will hold that position by the power of her victorious sword. He says that Germans must show that they are born to be masters. He says that their destiny is to master Europe. He might have said the rest of the world. It will be noticed that he proposes to govern by the sword. There are to be overlords and underlings.

I should like to compare that statement with one made by a British cabinet minister. He said that when the time comes we will liberate the nations of the world and build a

new order based on cooperation, tolerance and mutual good-will. Hitler makes everyone his servant; they all must serve his purpose. Mr. Churchill has told us that the public men of Great Britain are proud to be the servants of the people, that they would be ashamed to be their masters. During the last year or so the King and Queen of Great Britain and Canada and our sister nations have endeared themselves to our hearts. Mussolini travels in an armoured train which is heavily guarded. Hitler travels in one even more strongly protected and he hides away in a rock-bound shelter high up in a mountain fortress. The king and queen have visited the bombed areas of London absolutely unguarded in order to encourage and cheer the hearts of their humblest subjects.

The British people high and low are undaunted by the evil that has befallen them. There has been no grander spectacle in history. This has been one of the finest things that has developed in our civilization. We are fighting for an ideal. We are fighting for a way of life. We are fighting for a legacy which we are to hand on to the generations to follow, that we hope, will never experience the terrible things which have been experienced by this generation. The president of the Canadian legion expresses it in this way:

> We must look to the future with ever increasing confidence and hope and faith. The month before us may seem dark but beyond that darkness a light shines. It is the light of freedom, of love of charity. When the hate and lust of our enemies have vanished for all time we shall emerge into a world better and brighter than it has ever been before.

In closing I should like to place on *Hansard* something that Mr. Churchill has said which I believe will appeal and has appealed to the people of Canada from shore to shore. It expresses something of the undaunted courage of the British people. Mr. Churchill said:

> We shall go on to the end. We shall fight in France, on the seas and oceans. We shall fight with growing confidence and growing strength in the air.
>
> We shall defend our island whatever the cost may be. We shall fight on the beaches and the landing grounds, in the fields, in the streets and on the hills. We shall never surrender. And even if, which I do not for a moment believe, this island or a large part of it were subjugated and starving, then our empire beyond the seas, armed and guarded by the British fleet, will carry on its struggle until in God's good time the new world with all its power and might steps forth to the liberation and rescue of the old.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. JAMES SINCLAIR (Vancouver North): Mr. Speaker, in rising to speak this evening I must first thank those who made it possible for me to speak so early in this debate. I am quite aware that there are many who are quite senior members to me who would like to speak this evening, and since my leave has expired and I am returning to my post to-night I feel grateful to them for having yielded me this opportunity.

To-night I am speaking not so much as the member for Vancouver North, but as one who has had the good fortune to be accepted in one of the services. I regard it as good fortune because we who are private members have no more rights and no more exemptions than any other citizen of this country. So we can regard it as good fortune to be in an active service unit. It may be that some of my constituents feel that because I am in the service I cannot give to the affairs of my riding the time and consideration which they should have. I can reassure my constituents. Perhaps I have suffered some handicaps, but the minister and my colleagues among the private members have been more than kind in seeing that the affairs of my riding have not been neglected.

I regret exceedingly that I was not in the house last night to hear my hon. friend the member for Hastings-Peterborough (Mr. White) speak. Although we are both in active service I must say that there is little in his speech with which I can agree. That, probably, is a good sign of a democracy—that even in a service where men in the positions we hold may be expected, if they think at all, to think the same, we hold these diverse opinions.

I think I can say, on behalf of other hon. members on our side who are in the service, that we feel strongly about the inference one would draw from the opening paragraph of the hon. member's speech, that he regarded it as a virtue not to have had a commission from this government. I should like to point out to the hon. member that the great majority of the men in the active service of Canada to-day are not professional soldiers; they are ordinary peace-loving citizens during times of peace. When we joined up we did so, not under a Liberal government or any other government, but as citizens entering the Canadian army. I should like to point out, too, that we private members who are fortunate enough to be in the service are not in it because we are in politics. I can assure

him, as can many other hon. members, that we are in it despite the fact that we are in politics, because the recruiting officers and the chiefs of staff of the three services have shown a real reluctance to have members of parliament in their ranks—perhaps an understandable reluctance based on a fear that we would take advantage of our position. Other members of this house have tried since the beginning of the war to enlist and would, I believe, have been in the service a long time ago had it not been for the fact that they were in politics.

The hon. member made some mention of "lightning promotions." The only promotion I know of among hon. members who have enlisted is the promotion recently given, and—I can say this from the bottom of my heart—most deservedly given to the hon. member for Greenwood (Mr. Massey), who is now at Trenton camp doing a wonderful job. That was no "lightning promotion"; it was to my mind a normal promotion somewhat overdue.

Perhaps I may be allowed in a kind way to say just one more thing to the hon. member for Hastings-Peterborough. He said that his was not a political appointment from this government. He was appointed in August, 1930. Hon. members may recall that the government of the Right Hon. R. B. Bennett was elected in July, 1930.

The whole tenor of my speech will be a little different from that of my hon. friend, in that I do not think this house is the proper place in which to bring up a great number of quibbling little matters, for instance as to whether certain units of the non-permanent active militia went to camp with one, or two, army shirts. Surely one who has the rights of a member of parliament should bring these matters directly to the minister concerned—the one man who more than any other wants to see that the army is run as efficiently as possible and who will do everything in his power to that end.

There has been criticism of delay in supplying certain articles, such as socks and shirts, to the non-permanent active militia. But these men were not naked; all of them had clothes and shirts of their own. They, too, realized, I think, that we are in a war. Those who saw the terrible pictures which were shown early last week, by the courtesy of the Minister of Trade and Commerce (Mr. MacKinnon), of the German war effort and the way in which the Germans smashed through the Netherlands, will realize that whether or not the non-permanent active militia were all outfitted completely at the start does not matter very much. The thing which matters is, whether our first line, the navy and the air force, is being properly equipped as fast as this country can equip it. Speaking for the only service I know, the air force, I can say in this house to-night that it is.

I do not intend to speak at length on the general plan or the success of the empire air training scheme. The activities of the air force generally have been widely discussed and have received abundant praise from independent military authorities in this country and in the United States, and, what is most important of all, from those authorities in the United Kingdom who are fighting the fight in the air and who should know whether or not this scheme, which is now becoming the back-bone of the defence of Britain, and what we hope will soon be the battle of Germany, is succeeding.

A great deal has been said about the wonderful organization of the air ministry in their development of this empire air training scheme. Sufficient credit will never be given to the minister, the deputy minister and the air staff in the tremendous task they have faced, one phase of which, for example, has been to enlarge a force which numbered a thousand a year ago in the active force to over thirty thousand at the present time.

I do not intend here to enumerate the fields and hangars and planes, or the instructors and the pilots turned out already. That has been done, that will be done by people more competent than I am to speak, but I will say that one thing has been overlooked. This scheme could not have succeeded as it has, and as it will, if it depended only upon the work of the minister, the deputy minister and the air staff. This plan has succeeded mainly because the rank and file of the air force, the aircraftmen, the non-commissioned officers, the warrant officers and the junior officers, have faith and confidence in the staff; and the reason why they have that confidence is that they know that the men heading this effort are no mere brass hats; the heads of the air force are men who fought in the last war, know what war is and will stand for no red tape. That, to my mind, after seeing a little of the force, in a very lowly rank, is the real reason why this government, why the minister and why his excellent organization have functioned so well.

I do not intend to enlarge upon how well the empire air training scheme is progressing. I think it would be as wrong for me to say here to-night, in connection with the first classes that are turned out, how many pilots, how many observers and how many gunners are being sent overseas, as it was for another

man in another place to say recently how many British airmen were planning to make the hazardous trip across the submarine-infested ocean. I did not, however, come here to speak praise of the air force organization; it speaks for itself. I do, however, want to speak as a man in the service and as a member trying to represent these great numbers of voters who have left their ridings and are now living in barracks and camps and who deserve an active voice in this house. I am going to bring up two or three little points which to them are important.

The first is the matter of rentals in soldier towns. As hon. members know, in a great number of the air force and soldier camps the wives of the men, especially those without families, have tried to follow and stay near their men as long as possible. In the little villages alongside these encampments this has led to unwarranted profiteering. These women who want to stay with their men are naturally not very well off. The government has begun recently to control these rentals in the larger towns. May I ask them to extend that control as soon as possible to the little towns in the neighbourhood of air force and service camps, because to attempt to profiteer at the expense of these soldiers' families who want to be near their men as long as they can, seems the harshest of all sorts of profiteering.

There is also the matter of rentals in industrial centres which have boomed because of war activities. In these centres also there have been instances of rental profiteering. In North Vancouver and in the town of Powell River activity has increased, there has been a demand for space, and rentals have been rising. I received this morning a letter from a soldier's wife in Powell River who complained of her rent being raised, the inference being that these workers coming in can pay more and therefore she is being squeezed out. I hope the government will as soon as possible extend the rent control to these smaller centres.

Another matter about industrial war activity that I might mention in relation to my own riding is the problem of the shipyards in North Vancouver. These are the best shipyards on the Pacific coast, perhaps the best in Canada. There was considerable trouble a year ago with regard to awarding government contracts there because of the fact that labour costs in British Columbia are higher. We are proud of that in British Columbia, in that we have a higher standard of living than the rest of Canada, but that militated against our getting the contracts. I am glad to say that the minister did place contracts for mine-sweepers and corvettes, but these ships have now been built and the shipyards are laying off their men. We have read rumours that cargo boats are to be built in the United States for the British government, and certain United States yards are getting ready for a shipbuilding programme. As our men are being laid off, there are agents in North Vancouver now attempting to induce our workers to go to Bremerton when their work in North Vancouver is finished. These shipyard workers I believe are just as important to the war activities of this country as are the riggers and fitters in the airport across the harbour, and must be kept employed here.

There is one question in the mind of every soldier, sailor and airman in Canada at the present time. Every night now when they pick up a newspaper they want to see what parliament has done about this matter of transportation on leave. There has been perhaps a good deal of nonsense talked by people who knew little about the matter, but whose hearts cry out for soldiers to get every concession the government can give them before they go overseas. One of the most popular misconceptions is that leave is one of the soldier's rights. The soldiers and airmen understand that leave is not a right, it is a privilege. If their conduct has been good and if the service at the time can spare them, certain leaves may be granted: in the air force, for example, thirty-six hours at the week-ends in which they are not on duty; forty-eight hours once a month, and two weeks once every six months. These leaves are not necessarily for the men to return to their homes; these men joined up to fight a war and certainly they do not expect to get home for every forty-eight hours' leave. Leaves are for relaxation and refreshment and to get away for a little while from army discipline. There is, however, to every man in the service one great attraction, that of home. In the kit box of the airman in the barracks are pictures of those he left behind. When they talk in the barracks, around the hangars, it is of their home towns and the friends there. When they think they are going overseas, it is only natural to desire to go home; that desire is very strong.

It was pointed out last night that the average soldier who has a home and a wife to whom he has assigned pay; in other words, the man who is anxious to go home, has for himself at the most $19 a month. That may be enough for a man at Petawawa whose home is in Ontario to get home, but it will not finance a trip from Vancouver back east or vice versa. I do not suggest for a moment that free transportation should be given to

soldiers on the short leaves, but I do think, and I believe the people of Canada think, and certainly the soldiers, sailors and airmen feel that the government might give them the bare cost of transportation on their semi-annual two weeks' leave. In the Royal Air Force, in fact in all the services in the old country, that is done. Of course distances there are shorter, travel does not cost so much as here, with our great distances. But that argument can be used just as truly the other way. The smaller fares for those short distances can be more easily paid by the British soldier than the fares for the long distances that some of our soldiers have to travel. From my conversations with people coming across Canada recently I am convinced that the people feel that this thing should be granted no matter what the cost. We in this house are so used to appealing to the government for money that perhaps we tend to forget that it is not the government's own money, it is the money of the people of Canada which they have entrusted to the government to spend. I believe this is one thing which the people of Canada do wish for their soldiers, and this adds strength to our plea that at least on their long leaves some consideration be given to provide free transportation—not for officers, because they can provide their own, but for the men at $1.30 a day, soldiers, sailors and airmen.

One other question relating to leave which I should like to bring up is the inequality of leave, especially in the air force, as far as this two weeks' leave is concerned. The air force was recruited, not as the army was, by localities; the air force is recruited on a national scale from Victoria to Halifax. The men pour into central pools and are then sent out to stations as they are needed, without regard to the localities from which they come. Yet, when their two weeks' leave is granted, if it can be granted, it is inequitable. For example, we have a number of large training centres in Ontario. The boys from British Columbia who get two weeks' leave have really five or six days' leave, by the time they travel home and back. If a man has the good fortune to be close to his home he gets twelve or fourteen days. I might go further and take the hon. member who spoke last night as an example. The government have ruled that we members are entitled only to the army leave that we get as ordinary soldiers. It may be a little hard on us, but as far as the feeling of the force is concerned it is an excellent thing that we get no special privileges. On the one hand a soldier member who lives in Ontario can get to the house for almost his whole fourteen days' leave, but my colleague the hon. member for Nanaimo (Mr. Chambers) or myself get at the most seven days. I feel that some consideration should be given to this matter by the Department of National Defence. Here again the Royal Air Force have taken this into consideration. In their most recent orders regarding leave they say:

> Personnel proceeding on leave to and from the Orkney and Shetland islands are to be granted sufficient total leave to ensure that they have seven days at home.

I would respectfully suggest to the government that some such provision also be made for the long leaves of those who must travel great distances to get home.

There is one special plea I should like to make to-night for one very special group, the air crews. Under the empire air training scheme these men graduate in classes, and they are given what is called a last leave of ten days in which to return to their homes. I think that expression "last leave" is fitting in this instance, because they know, as we do, that a great number of them will never return, and that is their last chance to see those whom they leave behind. Here again the same situation obtains; the British Columbia boy who has been trained at Trenton, for example, where so many of them finish, will have only two days of his last leave to spend at home. It is true that they receive half fare warrants on the trains. I suggest that this one special group, to which Winston Churchill must have referred when he used the expression that has become immortal that "never in history have so many owed so much to so few"; this special group who will be hurtling through the air in Hurricanes and Spitfires, be given half fare warrants not on the trains but on the trans-Canada planes, so that they may have at least eight of their ten days at home.

The air training scheme has become really an empire scheme within the last two months, with the arrival of the Australians and New Zealanders. We in Vancouver have had the pleasure of seeing these recruits pass through our city, and it can justly be said that they are the cream of the antipodes. They have come a long way; they get here after spending three weeks at sea. We all know that first impressions are the most lasting, yet these men are hurried through our city to their training centres. We all agree that speed is the main essential of this empire air training scheme, but the people of Vancouver would like to do something for these Australians and New Zealanders as they pass through, to show them how Canada feels about their arrival. The last contingent arrived in Vancouver at six o'clock in the evening, after a voyage lasting three weeks, and at seven-fifteen

they left for a station on the plains of Saskatchewan. I do not know whether the minister is the proper person to approach, or whether this should be said to the Australian authorities, but I should like to suggest that at least one day and one night be allowed between disembarkation and the trip to the prairies, in order that two things may be accomplished: first, that these men may be given a proper reception in the loveliest city of Canada and, second, that the people of Vancouver may have an opportunity to show these men, who have come so far to fight in the common cause, what they can do for them. Various service organizations in our city are only too willing to undertake in rotation the entertainment of each contingent as it arrives.

In closing I should like to say one thing to the minister and the government on behalf of the rank and file of the air force. They believe in this government; especially they believe in the minister and staff who are running the air force. That is why they do not mind going into camps that may be not quite finished, perhaps without water for a day or so, without public complaint. They grouse privately, but as we all know, soldiers always grouse. These men understand the driving necessity of expanding operations as quickly as possible. They are willing to overlook minor discomforts because they realize that this is a war. On behalf of these men, the riggers, the fitters, the engineers and the air crews, I say to this government and to the minister in particular, "Keep at it the way you are going".

Mr. P. E. WRIGHT (Melfort): Mr. Speaker, in rising to take part in this debate this evening I should like first to correct the Minister of Agriculture (Mr. Gardiner), who this afternoon in his usual style attempted to define the Cooperative Commonwealth Federation programme as state socialism, although of course he did not bother to define what he meant by state socialism. The minister knows better than that what is the programme of this party. He disagrees with that programme. That is his privilege, but that is no reason for misrepresenting it. As has been stated many times in this house, this party looks to the formation of a cooperative society in Canada under which the economic resources of the country will be used for the welfare of all its people. This is a noble aim, and the desirability of this objective is not to be diminished a bit by the slurs of the minister. As a matter of fact his recent visit to Great Britain proved the correctness of our policy. He did not go as a private individual from Canada to deal with private interests in Great Britain; he went as a responsible government minister to negotiate with responsible government officials in that country, and it was the British government that decided what and how much to buy, and what not to buy. That decision was based not on profit or privilege but on a plan which took into account the needs of the people in their struggle against Hitler. The conditions of the war have persuaded the British government to put into effect the policies and controls advocated by the British labour party, which are the same as the policies advocated by the Cooperative Commonwealth Federation in Canada.

There are two classes of people who want to win this war, and for two different reasons. One class, the minority, want to win it in order to maintain the present system and the privileges which they enjoy under it. The other class, the majority, want to win this war in order to preserve that measure of democracy we now enjoy, and on this basis to build a better and wider democracy in the economic as well as in the political field. The Cooperative Commonwealth Federation belongs to this latter class.

It is my intention, Mr. Speaker, to speak to-night principally on domestic matters, and I hope no hon. member will rise in his place and remind me that there is a war on. We in Saskatchewan realize that fact more, if possible, than the people in any other part of this country. During the last war we had the greatest enlistment, according to population, of any province, and I believe that is the case again to-day. Our main industry, the growing of wheat, is selling its production to the mother country at less than cost, and making a greater sacrifice than is being made by any other industry in Canada. Both capital and industry have stated in no uncertain terms that they will not engage in a one hundred per cent war effort until they receive what they deem to be a just return on their capital investment, and this principle has been acknowledged as fair by the government. Let me quote the words of the Minister of Munitions and Supply (Mr. Howe) on this point, as contained in a news-letter issued recently:

> . . . it is not in the public interest in a time of crisis, that a contractor should be out of pocket in fulfilling a national need. Obviously, no good end is served by letting contracts on a financial basis which would cripple the contractor, and so limit the productive facilities of the dominion.

Surely when this principle is recognized by the government as being fair when applied to every other industry, it should obtain also in connection with agriculture. I think it ill becomes either hon. members or the public press to criticize the west or the agricultural industry when all they ask is equal treatment

at this or any other time. We in Canada realize that the war is the paramount issue to-day, and we all stand united behind the government in an effort to bring it to a speedy and successful conclusion. Last session we gave the government almost unlimited powers, but now many of us view with alarm the use to which the government is putting those powers, by transferring them to boards and controllers who are responsible only to the government and who have been appointed largely on the recommendation of the industries they control. We are willing to give the government unlimited powers in military matters, but when it comes to civil and domestic affairs we believe that parliament should be supreme. The government pays many of these men a dollar a year and their expenses. Industry supplies them, and after the war is over, industry is going to take care of them again. It is only plain common sense to realize that while nominally they work for the government, it is industry that controls them.

It is largely, however, with the question of wheat that I wish to deal to-night. For the last twelve years or more the government has been dealing with this matter, without as yet having come to any definite long-term policy. They have dealt with it from year to year as emergencies have arisen.

A number of years ago when it was proposed to set up an international committee of wheat experts to study the case, this government was not too enthusiastic. Nevertheless it is only by the setting up of some such committee, and by obtaining some definite relationship between supply and demand that we are ever going to be able permanently to solve our difficulties. We are faced to-day with a huge surplus of wheat. This afternoon the Minister of Agriculture gave us the figures. We have at least two full years' supply on hand. Statistics show that we shall not have this year's crop moved off the farms until next August. What about the next year? Are we again going to leave everything to the last minute, and at the last minute bring in a bill which does not deal with the situation in detail?

The day after I arrived home following the last session, a farmer drove into my yard and told me that on August 7 he had delivered a carload of barley to the elevator. On August 8 the elevator agent received notice that on August 6 a regulation had been passed placing a five-bushel quota on barley. It developed that in receiving the grain the agent had been outside the law, and rendered himself subject to a heavy fine. He immediately drove to the farmer's place and asked him to remove the grain, because he could not obtain a permit for shipping. As a result, the farmer came to see me, and to ask what he ought to do about the matter. I told him he had better wait for a while to see if the government would not do something about it. Finally, a few days after this incident, the regulation was changed and the farmer was permitted to ship his grain.

I delivered a quantity of last year's wheat to an elevator, in order to obtain harvesting expenses. The wheat was accepted, but when I came to get settlement for it I found that because I had already delivered the 5,000-bushel quota last year, the board would not accept it. It had to be sold on the open market. There were thousands more bushels of grain then on the open market than it would absorb. Therefore my year's quota was filled. I could neither deliver any more wheat, nor receive pay for that which I had delivered. Some four weeks later, the board decided to accept all such wheat, and I was paid for it. Yet to-day the board is prosecuting other farmers who delivered over the 5,000-bushel quota last fall. Why the difference?

Why do I relate these instances? I do so simply to show the utter confusion which existed last summer after some of these ill-conceived regulations were issued. We do not want that to happen again next year. I believe at this time the government should appoint a full-time minister of agriculture. It should appoint a special committee or a commission with power to call before it witnesses and marketing experts. The recommendations and suggestions made before such a commission should, if acceptable to the government, be incorporated in a bill passed through this House of Commons before March 15, 1941. This action is necessary, so that the west may know what the government will require of them before seeding operations are begun next spring.

It would appear at the present time that some reduction in the amount of wheat grown next year would be advisable. Any reduction in acreage, however, should be authorized only after consultation with the United Kingdom as to its requirements, and only when we are assured that we have at least two years' supply on hand. If such action is necessary, how best can it be carried out? Some people suggest that it can be done by economic pressure. They urge that if we let the price of wheat go down to 25 cents a bushel, instead of 50 cents as it is to-day, the farmer will stop growing it.

Past experience does not prove this to be so; rather it has proved the contrary. In 1932 and 1933, when wheat was at its lowest

level in 400 years, there was no decrease in acreage. This is what often happens: I, as a farmer, may have certain commitments to meet. Let us say that I may have a $400 payment on my land, a $100 payment for taxes, and a $500 payment for machinery. Wheat is my main cash crop. I know that at the present 50-cent price I must raise 2,000 bushels in order to meet those payments. But if wheat were only 25 cents a bushel, those payments would remain the same. Immediately I look round to see whether I can raise 4,000 bushels. It may be that I have some raw land which I could break up; it may be that I have some grass land which could be utilized. In short, I will do anything to raise more wheat so that I may meet my obligations.

That is what has been happening in the west. The lower the price of wheat, the more wheat the farmers are going to raise, so that they may meet their debts. Therefore, any proposed reduction in acreage, if it is to be successful, must be accomplished by a better price for what is grown, or a reduction in farmers' debts. A blanket reduction in acreage would admittedly be unfair. The man who is maintaining his family on a small acreage should not be asked to reduce that acreage to the same extent as the large operator might have to reduce. Some fair plan can and should be worked out, if it is decided that a reduction in acreage is advisable.

We believe that at this time the government should make a full statement respecting the 1939 crop. Last year when we asked what the board had received for the crop, we were told that it was not in the public interest to disclose that information. When we wanted to know the amounts remaining to be sold, we were told again that it was not in the public interest to give out that information. But the only information which was of value to the enemy was disclosed by the government, to save its own face; I refer to the information to the effect that 170,000,000 bushels of wheat which had been purchased still remained in Canada. The disclosure of that information made it clear that the enemy would still have a chance of sinking that amount of wheat. To-day the Germans are not interested in what Great Britain is paying for wheat, or indeed in whether or not she has paid for it. The enemy is interested in the measures taken to ship the wheat. Germany is not fighting this war with dollars and cents; she is fighting it with tanks, aeroplanes, guns and men; and the sooner we realize that fact in Canada, and begin to do likewise, the better for all of us.

There is no legitimate reason why the government should not give a detailed statement of the 1939 crop, to date, and thereby let the west know if it is going to get the ten cents a bushel promised on the eve of the last election by the hon. member for Melville (Mr. Gardiner). Perhaps he is saving that money to pay on the eve of the next election. On what they have handled the pools have made a five-cent payment over the board price. The line elevators have made a smaller payment, and we feel that the government should make a complete statement at as early a date as possible.

We believe that through the wheat board the government should take full control of all grain handling facilities in Canada, and for the duration of the war operate them at cost. There is no doubt that money is going to be made—and plenty of it—in the storage of the grain on hand. Why should private individuals or companies be permitted to make a profit out of a situation which has developed because of the war? Why should they make those profits at the expense of the growers and consumers of grain, or out of the pockets of the taxpayers?

In paying storage to the farmer as well as to the elevator companies, the government took a step in the right direction. In failing, however, to give the farmers an advance on grain so stored, they have again deliberately played into the hands of the grain trade. To-day the companies may construct all the storage space they like. Immediately it is constructed, they notify the board that so much more space is available. The quota is raised and, in order to obtain a little cash, the farmer takes grain out of his own storage and turns it over to the storage operated by a company. The refusal of the government to make an advance on grain stored on the farm is equivalent to a guarantee to the elevator companies that all their available space will be kept filled as long as there is a bushel of wheat left on the farm. On the other hand, an advance would have meant that the farmer could have received enough to meet his immediate obligations. He could have left the grain on the farm until the spring, and received the full benefit of the act.

We contend that the government should change the basis of paying for wheat. Instead of the price being 70 cents a bushel f.o.b. Fort William, the same price should be paid for the same quality wheat, no matter where the farmer resides. It costs as much or more to grow a bushel of wheat in the Peace River district than it does in Winnipeg, and it does not seem fair that the government should bonus the growers in one section of the country more than those in another section. This principle has been established already—Vancouver was made a port of delivery along with Fort William. Growers in certain parts

of Alberta receive at the present time more for their grain than growers in Saskatchewan, although their grain is shipped to Fort William. I understand that the board pays the difference out of the general fund. We contend that payments for wheat should be the same to all farmers, that the basis of payment should be f.o.b. the local point.

There is also the matter of domestic freight rates. These have been under discussion at various times during the past few years, and it seems that this would be an opportune time to have something definite done. It costs about 30 cents a bushel for barley and 24 cents a bushel for oats to ship from the average shipping point in the west to the Ottawa valley. This is more than is paid to the farmer in the west for his grain. These rates are almost prohibitive, and a reduction would contribute to the benefit of the shipper as well as of the consumer in eastern Canada. With prices of dairy products being fixed by the government, feeders in eastern Canada cannot afford to pay this tariff. Hog raisers in eastern Canada were scarcely breaking even before, and with the lower prices to be received under the new agreement, it will be even more difficult for them to get along.

When the Minister of Agriculture announced his wheat legislation two years ago, he stated that he was introducing it in order to keep the small farmer on the land and to make the family farm possible. I can assure him that after two years' operation, this legislation is having exactly the opposite effect. The small farmer is going broke to-day with the spread that exists between what he receives for his grain and what he has to pay for what he buys. Only the farmer with a large acreage, with modern equipment and good land, can produce wheat at 50 cents a bushel and live.

In the constituency of Melfort is the Carrot river valley, probably the finest farming area in western Canada. Some of my friends from the Rosetown area or from the Soo line may dispute this statement, but the fact remains that for the last twenty years we have had the most consistent production of good crops of almost any area in Canada. But round the fringe of this area lies an area of marginal land. Under the Prairie Farm Assistance Act the government placed settlers from the dried-out areas upon homesteads in this section. Seventy-five per cent of the farms in it are either quarter or half sections, the family-size farm. Three weeks ago I was in one of these areas in order to hold a meeting and I arrived in a village or hamlet at about seven o'clock. The storekeeper told me he had a case which he wanted to bring to my attention, to see if something could be done about it.

[Mr. Wright.]

He took me down to the edge of the village to a little log shack with a tar-paper roof about twelve feet square. We rapped at the door, but there was no answer. We went in and found an old lantern hanging on the wall. There was a rough board bunk in one corner filled with hay, a rough board table, two blocks of wood serving as chairs, and an old tin heater. In the bunk was an old man rolled up in a gray blanket. We tried to wake him up in order to get some information, but he seemed to be past the point of being able to take care of himself. I asked the storekeeper about him, and he told me that as far as he could find out this man had come to Canada in 1901 and had homesteaded in the district in 1911. In 1920 he had lost his homestead and from then on had worked for lumber companies and different farmers in the district. Some five years before he had become unable to work and had used up what little capital he had in order to keep himself alive. Two years before, the municipality had endeavoured to get him an old age pension, but they were unable to establish his age. The municipality granted him a pension of $5 a month. He had been paying $1 a month as rent for the shack and what wood he required, and had been living on the other $4. About a year ago, he reached the state where he could hardly take care of himself and was finally spending about twenty hours a day in his bunk. He would get up, stagger over to the store to buy a loaf of bread and a piece of bologna, and then go back to his shack.

The storekeeper wanted to know if I could do something about the matter. The next day I reported the case to the mounted police, but they told me that there was nothing they could do, that the responsibility rested upon the municipality. I told them that if I had a dog or a horse which I was starving to death and this was reported by a neighbour, they would have me arrested for cruelty to animals. I told them that someone was responsible for this old man and that it was their duty to see that this responsibility was assumed. They said that the only thing they could do would be to telephone to the municipality, and they got in touch with the reeve, the clerk and the local health officer. Two days later I happened to be back in that municipality and I went to see the reeve. He told me that he had known of this case for some time, but it was not the only one in the municipality. He said that there were twelve other cases, some of them in worse condition.

He told me that the municipality was broke, that there were thousands of dollars of uncollected taxes. This year the crop had

been frozen and hardly any taxes are being collected. He told me that they would like to place this man in a hospital, but that they owed the hospital thousands of dollars. The hospital was receiving only emergency cases for immediate operation. Apparently there is no place in Saskatchewan to which such a case can be sent. There are two private homes, but their charge is $1 per day, which the municipality could not pay. Apparently this man will have to freeze to death.

The next week I was in the district between Prince Albert and Nipawin. This district extends for one hundred miles on the north side of the Saskatchewan river, approximately one-half being in the constituency of Prince Albert, represented by the right hon. the Prime Minister (Mr. Mackenzie King). I visited the town of Smeaton, which is about half way between Prince Albert and Nipawin. While there, I met a deputation of citizens who had just been to interview the doctor in an effort to have him remain in the district. He had told them that he had some $3,500 or $3,600 in bills which he had not been able to collect, so he figured he would have to move out. I found that he was the only doctor in the one hundred miles between Prince Albert and Nipawin. In the four towns of Snowden, Smeaton, Shipman and Weirdale there are some 1,100 householders, representing a population of about 5,500. When this doctor pulls out, it will mean that these people will be from forty to fifty miles from medical attention.

I know the Prime Minister is a kind-hearted man. According to a recent newspaper report he takes his dog for a walk every day. While he is doing that, I should like him to remember that this winter there will be hundreds of mothers in his constituency who will have to drive forty to fifty miles in open sleighs in order to get their children to the nearest doctor. There will be other hundreds of mothers who will be giving birth to children without proper medical attention. This is the direct responsibility of this government because it is the economic policies introduced by this government which have brought about the present condition of the people of Saskatchewan. This afternoon the Minister of Agriculture referred to the 50-cent wheat policy, but I submit that the condition of these people is the direct result of that policy. Districts in western Canada of marginal or near-marginal land are broke as a direct result of the action of this government in protecting other industries while the farmer has to take the world price for what he has to sell.

I am not one of those who believe that the government can be Santa Claus to any class of people or any section at the expense of any other section, but I believe that it is the duty of the government to see that the national income is so distributed that all parts of the country and all classes of our people are able to obtain their fair share and enough of the national income to purchase the medical services, educational services and social services to which all self-respecting Canadian citizens are entitled. I urge any member of this house who may think that these conditions obtain to-day to read the report of the Sirois commission or look at the payments of income tax in the Toronto and Montreal districts and compare them with income tax payments in the three western provinces, and he will soon be disillusioned.

Take, for instance, the district extending from Montreal to Windsor. It is a small portion of the whole dominion but enjoys one-half of the national income. Is it any wonder that we in other parts of Canada object? Furthermore, into this area are being crowded over 75 per cent of our new war industries. Why not give the rest of Canada an even break? Are all the private members on the government side of the house satisfied with these conditions? If not, why do they not raise their voices in protest?

One way in which the government could assist the small farmer in the west at this time and establish a more equal distribution of income is by means of the processing tax, and it could be done at no extra cost to the government. We believe that the processing tax should be raised to 50 cents a bushel. Adequate steps should be taken by the war-time prices and trade board to see that no undue rise in the price of flour or bread resulted. The money so collected should be placed in a special fund and paid to the farmer as a bonus on the first 1,000 bushels of wheat raised on each farm. It should be paid to the actual farmer, not the mortgage company, or the absentee landlord such as the present Minister of Agriculture.

Before the adjournment of parliament in August, we asked that the government declare this an emergency year so that areas with a yield of twelve bushels or less to the acre might come under the acreage bonus scheme, and we again urge upon the government the necessity of such action being taken.

I should like to draw the attention of the government to a special condition obtaining in northeastern Saskatchewan, on account of the frost experienced there during every month last summer. Many of the settlers there have no gardens, not even potatoes.

They have a yield of from ten to twenty-five bushels of frozen wheat to the acre. I believe that in this and similar instances where grain is frozen, any township with a yield of less than twenty bushels to the acre of frozen wheat should be included under the acreage bonus scheme; that is, twenty, fifteen and ten bushels to the acre should be the basis of participation instead of, as at present, twelve, eight and four bushels. Twenty bushels of frozen wheat is worth less to the farmer than twelve bushels of No. 1 wheat, and it costs more to harvest.

Finally, I believe that if the government will give all classes of our people and all sections of the country an equal opportunity, it will have no difficulty in floating their war loans, in obtaining recruits, and no difficulty at all in having a body of satisfied labour which will contribute 100 per cent of its energies to our war effort. But if the government fails to give equality of opportunity to all classes of our people and to all sections of this country, we are bound to have trouble.

Mr. J. A. ROSS (Souris): Mr. Speaker, I should like first of all to compliment the mover of the address (Mr. Claxton) upon his able presentation and the broad national and international viewpoint he expressed. I should like also to compliment the seconder of the address, the hon. member for Provencher (Mr. Jutras), upon the fine national viewpoint he expressed and his clear conception of conditions in his own riding and in the province of Manitoba from which he comes.

May I also compliment the hon. member for Selkirk (Mr. Thorson) upon the speech of a very high order which he delivered to the house yesterday afternoon.

When the hon. Minister of Agriculture (Mr. Gardiner) commenced his blitzkrieg this afternoon, it reminded me of some things that happened on the floor of this house last session. There came to my mind the strenuous effort that was made by the hon. member for Parkdale (Mr. Bruce) to have tanks manufactured in Canada, and I well remember the scorn that was heaped upon his head by the members of the ministry. Scorn was also poured upon the head of the hon. member for York West (Mr. Adamson) when he urged that certain defects in aeroplanes being used by our air force be remedied. But I am happy to say that those defects have been remedied and that tanks are being built in this country. All honour to those two hon. gentlemen for the fight they put up in this house despite the scorn which was heaped upon their heads by the ministers of this government. In this connection I like to think of a passage in a book written by the late Lord Tweedsmuir before this government came into power. He wrote that when a government has such a commanding majority that it intimidates the opposition, democracy fails to function.

Much has happened since the adjournment of parliament on the 7th of August last. Nevertheless we still have a Liberal war conducted by the government of the day in Canada and we still have patronage rampant in many respects. I had hoped that at this session, following the address of the Prime Minister (Mr. Mackenzie King), the Minister of National Defence (Mr. Ralston), the Minister of Munitions and Supply (Mr. Howe) and other ministers more directly concerned with Canada's war effort would have given the house an account of their stewardship. It seems to me that such an account would have avoided a great deal of unnecessary discussion. I am satisfied that a great deal of the discussion which must now necessarily take place would have been unnecessary if the house had had placed before it in detail an account of the stewardship of the various ministers and their departments. But that is not the order of the day.

The government have seen fit to attach to many departments highly paid propaganda writers who give out news but release only comments and opinions which are favourable to this government, and from what I can gather as to the government's future plans of press control and the release of news by the Canadian Broadcasting Corporation, I was not surprised to read in this morning's paper that the Minister of Munitions and Supply, who is in control of the Canadian Broadcasting Corporation, had stated that investigation of the broadcasting corporation was not necessary at this time, despite the fact that such an investigation has already been asked for by several speakers from the floor of the house this session.

Many thousands of people who loyally supported the government are to-day dissatisfied with Canada's present war effort, and they are anxious to know the facts as to what exactly is being done and what has been accomplished. These feelings are very well expressed in a letter appearing in the Toronto *Globe and Mail* of October 31 last, written by Major-General J. H. Elmsley (retired). Some members, I know, have doubts as to the standing of this eminent soldier and his services in the past, and therefore I quote from an editorial appearing in the Montreal *Gazette* of November 5, 1940, headed "A

Soldier Critic," as it expresses the viewpoint of many thousands of people throughout this country. The editorial states:

Canada has not many finer soldiers than Major-General G. H. Elmsley, C.B., C.M.G., D.S.O., of Toronto. Now retired, General Elmsley has been a soldier all his life. He fought in South Africa and in the world war, holding important commands in the great conflict of 1914-18, and was afterwards D.O.C. of military district No. 10 in Winnipeg. Few men are better qualified to measure the merits or the defects of any military effort or enterprise, or to criticize more impartially. In a recent long letter to the *Globe and Mail* of Toronto this distinguished officer contrasted the meagre information supplied by the Canadian government in regard to the national war effort with the policy which is being pursued by the government of Britain, where Mr. Churchill and his colleagues "have taken their people wholly into their confidence regarding their hopes and fears, their successes and failures with the result that the people as a whole, irrespective of nationality, party or creed, are behind their government's war policy to the last man and woman."

There is a different situation in Canada, and the Canadian people are not responsible for it.

General Elmsley writes: "As far as can be recalled, on no occasion since the declaration of war has our Prime Minister given the public an appreciation of the general war situation based on the accurate and reliable information undoubtedly in his possession, nor at any time has he defined our war policy based on this information, and explained what measures have been taken or are to be taken to enforce this policy."

This complaint is not new. The fact that it has been reiterated so often renders less and less understandable the extraordinary disinclination of the Prime Minister to meet what has become a widespread and insistent demand. Perhaps he will give the facts to parliament. Parliament should see to it that he does.

This article runs along this same vein to a considerable extent, but I shall not take the time of the house to quote it any further. I might point, however, to one or two of the paragraphs of the letter which the general wrote to the *Globe and Mail*. He states:

Mr. Churchill and his ministers, without furnishing the enemy with any useful information, have adopted the principle of keeping the people of Great Britain fully informed of their war policies, and the measures taken to put these policies into effect. Their government, through their Prime Minister and his colleagues, have taken their people wholly into their confidence regarding their hopes and fears, their successes and failures, with the result that the people as a whole, and irrespective of nationality, party or creed, are behind their government's war policy to the last man and woman.

Here in Canada, however, as the Montreal *Gazette* states, the situation is different, and the responsibility for this situation cannot be placed on the Canadian public at this time.

The letter goes on at considerable length.

I should like now to make some reference to the thirty-day training scheme. I know that it has been discussed by previous speakers in this house, and, very well, yesterday by one of my colleagues, the hon. member for Hastings-Peterborough (Mr. White), who knows from personal experience conditions existing in the army to-day. It was stated, I believe, by the Minister of National Defence, whether his statement conveyed his exact meaning or not, that these boys, upon finishing their thirty days of training, would receive further training by being attached to non-permanent active units. I think there was some misunderstanding about that statement because, as the situation now is, they are not forced to take more than thirty days' training, and, as was properly pointed out yesterday, they receive less than twenty days' actual training. Moreover, in my own riding this scheme for further training with the non-permanent active militia would be utterly impossible, because there is no such organization in my constituency, which is more than one hundred and twenty miles long by forty miles wide, and many fine youths have returned home without any opportunity for further training. It is stated that the existing scheme costs us fifty to sixty million dollars a year: to my mind it is a most extravagant experiment. The value attached to it by an eminent authority may be judged from the speech, of which I have here a copy, which was delivered to the Canadian Club of Ottawa by the Chief of the General Staff, Major-General H. D. G. Crerar, on October 23 last. I do not intend to read all of that address by any means, but I should like to quote one or two brief extracts. He said on that occasion, indicating that in his view, as chief of the staff, the scheme is unsatisfactory, and that he is not alone in that opinion:

I hold the view, and I am not alone in doing so, that the major issue confronting Canada in particular and North America in general is to win this war in Europe and so to prevent any possibility of this continent finding itself in a definitely isolated and exposed situation.

That statement is in the first part of his address. Further on, he says:

The second lesson is that reliance on static defence and an army of defensive type is inviting defeat, and does not provide the dynamic force required for victory; the failure of the allies in the field has been due to the lack of attacking power. To take the offensive, military forces must be highly trained as well as powerfully armed, and furthermore trained to cooperate closely with the air force. For the British nations training in combined operations with the navy is also essential.

Later in his address he states:

Our present efforts must therefore concentrate on two things. We must utilize to the full all the skill, ingenuity and facilities we now possess to advance the fundamental training of all ranks now in our army in the science and art of their profession. We must also intensify our efforts towards the complete provision of the armament required by those men before they are called upon to meet the enemy in battle.

He also says, referring to the initial training period:

Firstly, the short training period enabled a larger number of young Canadians to gain a proper conception of their national obligations within a given time. Secondly, our limited supply of modern weapons made it impracticable just now to carry the individual training of these young men beyond the basic stage, and a month or six weeks of instruction was sufficient for that limited syllabus. These factors, though important at this time, are not of enduring importance and, as my minister stated the other day, consideration is being given to possible alterations in the training schedule.

It has been suggested by other speakers, and I wish to support the proposal, that the minister should extend the period of training to at least three or four months; thereby we as a nation will receive a great deal more in return for the expenditure which is required for this particular scheme. I want to make it quite plain that I am heartily in favour of the idea of a training period, but that I believe that the thirty-day system does not begin to do the job and that it is most extravagant.

I desire also to add a few remarks to those of several previous speakers concerning this matter of free transportation, especially on the occasions of the Christmas leave and the furlough of our soldiers at this time and in this country. I feel sure there was a misunderstanding yesterday when the minister was understood to have made the statement that we did not receive free transportation during the last war. I believe that the minister misapprehended what was said by a previous speaker, because he will recollect, no doubt, as well as I do, that while we were on service in Great Britain in the last war we were granted free transportation.

I want to point out that, in contrast to the last great war, when the first line of battle was in the countries of France and Belgium and the second or defensive line was in Great Britain, to-day our first line is in the British isles and our secondary line of defence is in this country, which is thus in somewhat the same situation as was Great Britain at that time. In that respect the picture is changed. Moreover, it can be said, without any breach of confidence, that the distribution of our troops in Canada to-day is vastly different from that of the various centres or of the army throughout Canada during the last war. Very many of our young people serving in the forces in various parts of this country to-day are at a great distance from their homes. Figures have been given by previous speakers as to the limited funds which many of these chaps, not commissioned officers, have at their disposal; and I personally know of hundreds of young people who, unless they are granted free transportation along with the Christmas leave to which they are entitled, will not be able to join their families at Christmas this year. Therefore, despite the fact that the Minister of National Defence stated that they would have to pay a one-way fare, I sincerely trust that he will reconsider that statement and will see that these many thousands of young men who have offered their all for this country, under very different conditions from those of the last war, are allowed to return home at Christmas time, or when they receive their furlough, with free transportation. I am sure that with the minister's past experience he will reconsider that matter and that they will be granted that transportation free of cost.

There is another matter which has been mentioned by previous speakers. The Prime Minister announced very suddenly on the opening day that the various provincial governments would be summoned to Ottawa during January to consider the report of the Sirois commission. I would make an appeal, as suggested by my leader, that the Prime Minister go a little further. I well remember that, when this commission was being set up, it was intended to take evidence only from provincial governments. I am glad to say that this was enlarged in the instructions to the commission and that they heard representations from many fine bodies throughout this country; I have in mind particularly municipal unions and other organized bodies that did much toward the upbuilding of this country. I am happy to think that the representations of these bodies have been embodied in that report for the government's consideration, and trust that they will be implemented. I hope that the Prime Minister and the government will consider seriously inviting some of the heads of these other organizations to confer with them at that time. I know it would be a stupendous task; they could not invite all organizations who might want to be heard, but this is a most important undertaking and the consequences will be far-reaching. I am glad that this conference is going to take place, because this matter is most essential in the carrying on

of our war effort, and we from western Canada especially are pleased that it is to take effect at this time.

As to the agreement which the Minister of Agriculture brought back from the old land, I must confess that I as a westerner was much disappointed. He told of his success in being elected in western Canada and belittled certain hon. members in connection with his election last March. It might be recalled that during that campaign there appeared a report in the press throughout western Canada to the effect that the Minister of Agriculture, along with this government, was pursuing a "middle-of-the-road" war policy. I know that he has since denied that statement, and I accept the denial, but the report was carried in the press during the election campaign without denial and it probably had some bearing on the result of that election. Moreover, despite his assertion this afternoon, he did not have a majority of electors in his constituency support him. Be that as it may, I should like to see the minister, who has a great deal of driving force, campaign in any rural riding in my province to-day, armed with these agreements which he stated had been made for the benefit of agriculture, and I venture to say that the result would be vastly different from that of March 26 last. I cannot speak so well as to his own province, but I judge the outcome would be the same in any riding in Saskatchewan, or, in fact, anywhere in the prairies at this time. It was stated this afternoon that the producers could not be informed exactly what they would receive for these products at the present time. I am confident, however, that the packers of this country will not be working for nothing, that they will be well taken care of.

We have at present in Canada a situation where fish is going to waste in the Magdalen islands, fruit rotting in British Columbia, and we have on the prairies millions of bushels of wheat which cannot be disposed of. Surely that is not a condition to make our producers so happy as the minister suggested this afternoon they should be. Approximately half the population of this country are directly dependent on the success of agriculture for their living, and agriculture is in a very sad plight at this time.

This evening a previous speaker referred to the methods of handling the wheat crop. I am sure no one will boast of the results of our discussions last summer on the methods of handling wheat, discussions which ran on into the days when harvesting had commenced in western Canada. An advisory committee was finally set up, on which the producers were supposed to have a majority representation. I noticed, in looking over the personnel of that committee, the name of a man for whom I have great respect, Mr. D. G. McKenzie, listed as a producer. I do not have to remind any agriculturist that Mr. McKenzie is vice-president of the United Grain Growers Elevator company. He is a grain trader, and his company is very well looked after, as is the grain trade as a whole in my opinion. The grain trade in this country have never enjoyed better days than they have during the last year or two through the agreement with the wheat board under this government. I might give some examples of the favouritism which has taken place in the handling of this quota business this year.

I know of one shipping point in my riding where there are three different grain companies operating, of which the United Grain Growers is one. When the quota was raised from five to eight bushels, despite the fact that many producers in that community were not able to deliver one bushel of wheat, quite a controversy took place there. Finally an order came through from the wheat board to the United Grain Growers' buyer to ship out immediately 29,000 bushels of wheat, or approximately twenty cars. Two opposition elevator companies were not allowed one car at that time. I do not need to point out what controversy arose following that situation. That is an example of what has taken place this fall. I could give many other examples; the handling of this quota business this fall has been most unsatisfactory, and the producers have not majority representation on that advisory committee as suggested. Mr. McKenzie is human just as you, sir, or I; after all, if we are working for our company, we are going to do our best to see that it produces returns, and he is rightly doing so, but the producer is neglected.

I wish to support the view expressed by other speakers that at this time we are justly entitled to a full-time Minister of Agriculture. As I have said, nearly half the people of Canada are directly dependent upon agriculture for their livelihood, yet they are entirely neglected by this government, because the present incumbent of that office is also acting as Minister of National War Services, and that alone if properly done is a real job for any man, no matter how much previous experience he may have had or how good his qualifications for the job.

Mr. HANSON (York-Sunbury): He does not do it; Mr. Davis does.

Mr. ROSS (Souris): I want to add my voice to those who, on behalf of agriculture, have bespoken the appointment of a full-time Minister of Agriculture. Following that, a plan must be worked out before seeding

time next spring for the handling of next year's crop. Let us avoid what happened last summer. I plead with the government as a whole and especially with the new Minister of Agriculture, whoever he may be, and the wheat committee, to bring into being before next seeding time a definite policy, so that the farmers of the west may be guided in their operations. I sincerely trust that this may be done.

I am going to suggest to the government also that earnest thought be given to a plan which might have a far-reaching effect. For some years I have thought that we must work out a soil conservation programme in western Canada. This has been done with success in other countries. I know some will object to the cost involved in any such programme, but let me state in general terms what I have in mind. Supposing you took the total cultivated area of the prairies and paid the producers $5 an acre for summer-fallowing one-third of that area. That may seem to involve a tremendous amount of money, but I suggest that the cost would not be any greater than the amount paid under the acreage bonus and the guaranteed price, and certainly there would be a great improvement in farming methods. When I speak of the acreage bonus scheme, I want it understood that I am whole-heartedly in favour of some system of crop insurance, but the acreage bonus scheme has brought about a tendency towards a poorer system of farming. I do not think there can be any argument as to that; it does not tend to develop up-to-date methods. Under the conservation scheme I suggest, with one-third of the cultivated acreage in wheat, one-third in fodder crops and one-third in summer-fallow at $5 an acre, ultimately farming methods in the west will be placed on a much sounder basis and the cost would be no greater than that of the plans now in effect.

I am sorry the Minister of Agriculture is not in his place. However, I see the Minister of Trade and Commerce (Mr. MacKinnon) here. He is vitally concerned in this matter, and I trust that he will give serious consideration to the points I have suggested. I do not wish to take up any more of the time of the house this evening, but I did wish to make an urgent plea that a plan for handling next year's crop be drawn up and made known well in advance of seeding, so that the farmers may make definite plans for the whole season's operations of 1941.

[Mr. J. A. Ross.]

Mr. DANIEL McIVOR (Fort William): Mr. Speaker, as far as possible I intend to follow the example set by the speech from the throne; I shall try to be brief and intelligent. First, I should like to congratulate the Prime Minister (Mr. Mackenzie King) in his choice of hon. members both last year and this year to move and second the address in reply to the speech from the throne. Last year both the mover and the seconder belonged to this corner of the chamber; this year the seconder sits in this part of the house. So, when the leader of the opposition (Mr. Hanson) speaks of "we on this side of the house," he is speaking of members of at least average intelligence.

I had not intended speaking at this time, and would not have done so but for the references that have been made to the land that gave me birth. I was not born in Canada, but I was born. The country that gave me birth is a great country and I am proud of it, but to me it was not the greatest country on earth or I would have stayed there. When Venerable Archdeacon Scott and the leader of the opposition spoke of Ireland, it made me stop and wonder, but in what they said I could see at least one very fine thought. Both the reverend gentleman, for whom I have profound respect, and the leader of the opposition, who has plenty of sense, must have seen something great in our Prime Minister, or they would not have suggested that he attempt the almost impossible task of causing Mr. de Valera to agree with England.

When I think of Ireland I think of the land that has given the British empire its greatest soldiers: Lord Wellington, General Roberts, Lord Kitchener, General French and many others. So I believe that when everything is weighed in the balance, neither the north nor the south of Ireland will be found wanting. I am sure, however, that the Prime Minister has sense enough not to try to tell Mr. de Valera what is his duty and how he should do it. There are three great "eras" in Ireland, as someone has said: the stone era, the middle era, and de Valera. The first two refer to the whole of Ireland; the last, only to part of it. I would remind hon. members that before conscription was adopted in England, the north of Ireland had enlisted one hundred per cent, and that perhaps the greatest shipyard and dock in the British empire is at Belfast. No part of the British empire is more loyal than that part of Ireland from which I come, and of which I am proud. I expect that before this war is over, all Ireland will be supporting our cause, fighting for freedom for which Ireland has always struggled.

I should also like to congratulate the government on the way in which they put across national registration. I think the leader of the opposition realized the magnitude of that task when he said that the Minister of Agriculture (Mr. Gardiner), if he could put it across successfully, would be one of Canada's great men. The hon. gentleman has not stated that the registration was not successful, so by his silence he has agreed that notwithstanding what has been said about him, the Minister of Agriculture is one of Canada's great men. That was a great task. Last session, when we were told by the minister and by Mr. Justice Davis what was to be done, we wondered how it would be possible to put it across. The minister showed his greatness in being able to get other people to cooperate with him. Members of all parties cooperated and put across this national registration in such a splendid way that even in this house we have not heard any criticism of the manner in which that work was done. I am sure most hon. members were volunteer workers in connection with the national registration. I know that some cities in western Canada paid all expenses, even down to expenses for stationery. Again I say these facts show that the man in control of the registration was not lacking in ability to get things done.

I appreciate, too, the government's action in connection with the control of prices and profits. In the city of Fort William we expected to obtain a contract for the manufacture of shells, but we were informed that we could not get it because another contractor had made a lower bid than we could make, that, too, when from the sister city of Port Arthur comes the Minister of Munitions and Supply (Mr. Howe).

We know, too, that rents have been controlled. I join with the hon. member for Vancouver North (Mr. Sinclair) in saying that the government would do well to look carefully into the question of rentals. Obviously, soldiers like to maintain their homes as long as possible. In Fort William the question of rentals is an important one, and some unfortunate circumstances have been disclosed.

Those of us who have stopped to remember what we had to pay for sugar during the last war, and compare that price with what we have to pay to-day, will immediately say thanks to the government for the board which has been set up to prevent unfair profits.

May I mention, in passing, that I have been most grateful for the press releases which have reached me regularly. I have read them almost as consistently as I read the Old Book, and I believe I have derived a good deal of benefit from my reading. Sometimes I read them twice, because I am a little dull. So long as those press releases are available, it is not necessary for me to listen to cabinet ministers in the house who tell about what is being done.

Since I have come to the house I have heard criticism of the non-permanent force, and the one month's training to which it has been subjected. Again I may have to admit dullness, but I must point out that any man who has been an athlete knows that he can get into training in one month. I visited the camp at Fort William, and I must say that in no more than two days after the boys were called in they had developed to a point which surprised me. I know they took the drill and everything connected with it just as ducks take to water. Those boys are a credit to Canada. Some of the parents of the boys who have gone to the camp have said to me, "You can thank the government for at least the thirty days training."

May I at this point thank the government for increasing the pay of private soldiers from $1.10 to $1.30. I expect, as do other members, to be in a position to thank the government for giving the soldiers in the lower ranks free transportation during the Christmas holidays and during the leaves to which the hon. member for Vancouver North referred.

In Fort William we have some problems of our own. I hope the government will not cancel their housing scheme, and that they have not made plans to curtail it. I say that because one of our greatest problems in Fort William and Port Arthur is that of housing. During the years of depression people could not build houses, and the result is that we now have a great scarcity. Possibly we should not talk about ourselves, but if we do not, nobody else will. I feel, however, that I must take this opportunity to congratulate the Canadian Car and Foundry company of Fort William. Sometimes we gain the impression that a big corporation has not a heart, but I believe that cannot be said about the one of which I am now speaking. The company in question had a factory in Fort William which had been idle for a long time, and on which taxes amounting to about $25,000 were levied each year. I received word that the plant would open its doors, provided the city would for a certain period of time permit a reduction in taxation. It was stated that if the taxation was not reduced, the plant would be demolished.

What happened? Fort William adopted the wise procedure and permitted the reduction of taxation in 1937. That was at a time when there were rumblings of war, of course, but also at a time when money was very scarce. The company experienced the difficulty of not being able to obtain the right to make modern aeroplanes. But they went into business and built forty aeroplanes of

the Grumman type, one which is now obsolete. I believe they still have some of those machines. They experienced a difficulty, not through any fault of the dominion government, but because those who controlled the rights to make the later models were pledged either to France or to England. Later, the plant obtained the right to build the Hurricane machine, and we are proud of the way in which the plant is turning out the work. At this time they are employing almost 3,000 men, and one could walk through their plant and not be noticed. We are proud that no notice is taken, because we realize that the men are intent on their work and are not interested in what is taking place around them.

The city of Fort William in Canada is cooperating with a city bearing a similar name in Scotland. I am not Scotch, but because of my name some people think I am. I have one drop of Scotch in me, and one drop is enough. Fort William in Canada is cooperating with Fort William in Scotland for the purchase of an aeroplane of the Spitfire type. The Canadian city is acting in a most unselfish way by permitting the city in Scotland to choose the plane to be presented to the government in England. Of course I should prefer to see it presented to the dominion government, but I realize we are all one family, and if it goes to England it will be just as useful. I make these observations in the hope that they may serve as a cue for some other towns or cities in Canada the names of which have their origin in the old land.

This year I have deeply appreciated the work of the opposition groups. I hope they will tear into the government and attempt to show what has been done. I say that because when they lay open the deeds of this government, it always looks better after than it did before. We realize, of course, that hon. members in the opposition groups are capable men.

This afternoon in listening to the Minister of Agriculture (Mr. Gardiner) I felt a sense of pride, and my mind was carried back to the days when we played on the same football team and he was in shape to score on the opponent's goal. I must say he found the goal to-day, so far as I was concerned, because I was delighted with the description he gave of the work his department is doing. Anyone who wishes to assume the office of minister of agriculture in Canada will have to go some, if he intends to excel the efforts of the present minister. His picture of London is first-hand information which comes to us from a man of intelligence, a picture which told a clear story, and we were deeply impressed. We in Canada are apt to feel that we are not at war. We have better times than ever. But we should get at our job in such a way as to say to old England, we are with you and will be with you until the last.

I appreciate the tribute which was paid to the late Mr. Chamberlain by the Prime Minister and the other leaders on this side of the house. It is said that Mr. Chamberlain failed because he practised Christianity. But he did not fail. It is true that he held out one cheek and then held out the other, but we must not forget the words of the great leader who said that there comes a time when you cannot cast your pearls before swine. Another thing we appreciate is the cooperation on the part of our Prime Minister with England and the United States in providing common bases for our ships and aeroplanes.

Hon. members will probably expect me to deal more with the real side of life than with the economic and military, than with the machine guns, aeroplanes and ships. We all heard the broadcast by our king when he asked for a national day of prayer. I am sure that the men and women of Canada were sincere in their petition that the cause of the allies be victorious. We were fighting a cause which was not narrow nationalism, but for the good of the whole world. After that day of prayer had passed, we had the fall of Dunkirk and the miraculous evacuation of our soldiers from France. Why was it that Hitler was blinded and did not see his opportunity to attack England, which no doubt he could have done more easily at that time than at any time afterwards? Then I think of Roumania. What aeroplanes or shells could have caused the recent devastation in Roumania? To me it is nothing short of an act of providence, and we should give thanks.

I appreciated the words of the Prime Minister when he said:

> What is necessary then to win the present conflict? It is to put on the whole armour of God.

I think also of the words of an outstanding statement from the same Old Book which said that we should train the boy in the way he should go and then when he is older he will not depart from that way. I think we all were proud of our Prime Minister when he said in his closing remarks:

> In equal measure, however, we must strive throughout the struggle itself, and more than ever when the evil dragon of nazism is slain, to see that never again, in our own or in any other land, shall the gods of material power, of worldly possessions and of special privilege

be permitted to exercise their sway. Never again must we allow any man or any group of men to subjugate by fear and to crush by the power of might the spirit and the lives of honest and humble men.

If we put forth our best efforts, I know we will win this war and then there will be peace and good-will among men.

Mr. H. E. BRUNELLE (Champlain): Mr. Speaker, I should first like to congratulate the hon. members who moved and seconded the address in reply to the speech from the throne. I particularly want to congratulate the hon. member for St. Lawrence-St. George (Mr. Claxton) upon the kind words he had for the people of my race and the tribute he paid to their loyalty. In a few moments I intend to refer to this particular subject. The hon. member for Fort William (Mr. McIvor) said some nice things about the Irish and the loyalty of the people of Ireland. The other day the leader of the opposition (Mr. Hanson) referred to the loyalty of our people. These references must be contagious, for I intend to say something about the loyalty of the people of my province.

I have listened with great interest to the criticism of hon. members who sit to my left. One who was not aware of what Canada is doing in the present war, one who was being informed only by the speeches of the opposition, could not avoid getting the impression that this country is almost indifferent to the present world situation, or was doing too little in comparison with what it should or could do. The millions of dollars being spent daily, the amazing military activities that we see about us, the men in uniform who are evident wherever we happen to look, the enormous quantities of munitions produced at such a rate and of such a quality that people from other countries cannot avoid being surprised and express their admiration, all seem to be insufficient or unknown to some of our own people. Be that as it may, it is pleasant to know that facts speak louder than words.

The mass of our people are satisfied with our war effort. In this regard my opinion is different from that of the hon. member for Souris (Mr. Ross) who spoke this evening. One reassuring aspect of our war effort is that peace and harmony are being maintained among our people at a time when enormous sacrifices in men and money are being made. Some people seem to think that any war effort to help to settle the world's turmoil should be accompanied by turmoil and trouble at home. Apparently Canada is doing more in the present war than she did from 1914 to 1918, and yet we are enjoying peace. There is general approval of this policy, whereas in 1914 there was dissatisfaction to an extent that threatened the destruction of our national unity. This is a fact which speaks louder than all the loud criticism of the opposition. In my opinion the first duty and responsibility of a government when legislating to meet a great emergency is to maintain harmony among the people. If we consider the composition of our population, the present government and the Prime Minister (Mr. Mackenzie King) deserve the highest praise for piloting the ship of state with so much success during these troubled days.

Let us all refrain from generalities. Let us know exactly what is being done in connection with our various activities. I do not profess to be able to describe the whole accomplishment of the government. In order to be accurate I judge of that accomplishment by a few of our war enterprises of which I know personally.

I refer in particular to the establishment of the elementary flying school in the city of Cap de la Madeleine which lies within my constituency. The contract for the building of the school was let late this summer. The land had to be acquired and levelled and made ready for a flying school. Ten large buildings had to be put up and made comfortable for accommodating instructors, pupils and officers. Yet within two months the whole work had been practically completed and the school has had about fifty pupils in training now for nearly one month. I do not hesitate to say that if the government is proceeding with the same celerity and efficiency in other spheres as it did in the case of the flying school at Cap de la Madeleine, it is doing all that it is humanly possible to do, and the criticism and complaints and charges of inefficiency made by the opposition are unwarranted and unfair. Such charges are not conducive to a good understanding among the Canadian people who are ready and willing to make the greatest of sacrifices.

Preparations for home defence could not have been undertaken more promptly and more effectively in a country like Canada that was unprepared for war. At any rate our country was not supposed to be any better prepared for war than France, Belgium and Great Britain, and yet since the outbreak of war we have proceeded just as fast in our war effort as any of those countries. About 95 per cent of the development work on airports required to train our pilots under the British commonwealth air training plan has been completed in less than half the time it was scheduled to take. Labourers, engineers and contractors are working night and day.

Our military legislation, on the other hand, has been just as wise and effective as our

material preparations. To ask more, to ask, for instance, for some form of conscription such as we had in 1917, would be to ask for unnecessary and dangerous legislation of ill repute.

When the leader of the opposition (Mr. Hanson), who I am sorry is not in his seat, stated in a speech at Charlottetown that Canada was not doing her share and that conscription for overseas service alone would show the full measure of our effort, he was mistaken. Those were about his words. In fact, we need material more than men, and above all whatever we do must be compatible with the reasonable disposition of all classes of our people and must be of such a nature as to maintain peace and harmony within our own land. We all want to win this war in order that we may have peace in the world, but I think we must maintain harmony at home first.

And now, sir, I must reluctantly speak of loyalty myself. We are all loyal and anxious to win this war. The leader of the opposition, with his loyalist descent, is as good as but no better than the rest of us. I hope that is not showing him any disrespect. But I think it is time that we should cease to question a person's loyalty, that we should cease to suspect or qualify the loyalty of any portion of our population. We should take it for granted that we are all loyal to the crown, as in fact we all are.

Furthermore, when the leader of the opposition stated at Charlottetown that "the people of Quebec, if properly guided, are just as loyal to the British crown as any other section of our people," he expressed an insult to myself, to my people and to my province. There is no "if" about our loyalty. Under all circumstances, Mr. Speaker, we were, we are and we shall be loyal, and our loyalty is no more subject to a condition than the loyalty of the leader of the opposition or of those who think as he does. Our school children in Quebec sing "God save the King" without any compulsion. They sing it with sincerity, ardour and enthusiasm. When one has done his duty, he should be satisfied and not worry about what others will do, about whether they will do their duty as well as he does his. Those who publicly proclaim their loyalty, sincerity and other virtues, are not in these troublous days much different from those who, as reported in the Holy Book, thanked the Lord that they were better than the rest of the world.

The Prime Minister and his government have shown vision and wisdom in their legislation. Our conscription law, for instance, for home defence, has the hearty approval of all. Every detail of that law is suitable and most acceptable. Our young men are examined by their own family doctor, and that gives them confidence. There are no exemptions, and that adds to their confidence because the rich as well as the poor, the influential as well as the unknown, must all comply equally with the law.

In conclusion, sir, may I say that the electors of my constituency for some time before and during the last great war were represented in this house by a most brilliant nationalist, and they heard from him declamations and declarations as to war legislation. My electors had the unique privilege of hearing both sides of the question expounded to them by that same man, and I say to this house that my electors who have had some experience of war legislation are not complaining to-day that this government is not going fast enough or is not going far enough in its war measures. They highly admire the sincerity, wisdom and pure patriotism of the Prime Minister of Canada.

On motion of Mr. Ralston the debate was adjourned.

On motion of Mr. Crerar the house adjourned at 10 p.m.

Friday, November 15, 1940.

The house met at three o'clock.

DOMINION-PROVINCIAL RELATIONS

TABLING OF REPLIES BY PREMIERS TO INVITATION TO CONFERENCE

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, on Thursday of last week I tabled a letter which I had written to the premiers of the different provinces with respect to the holding in January of a joint conference between the dominion and the provinces to consider the report of the Rowell-Sirois commission. I have since received replies from all the premiers. I beg leave now to table these replies. In order that hon. members may have the record complete I shall ask the clerk, if it is agreeable to the house, to see that the replies received from the several provinces are printed in the *Votes* and *Proceedings* of to-day.

RAILWAY ACT AMENDMENT

FREE RAILWAY TRANSPORTATION FOR MEMBERS OF THE MILITARY, NAVAL AND AIR FORCES

Mr. T. L. CHURCH (Broadview) moved for leave to introduce Bill No. 2, to amend the Railway Act (soldiers' fares).

Some hon. MEMBERS: Explain.

Mr. CHURCH: During the last war the railways voluntarily carried men for single fare on week-ends. Now they carry them every day at half rate. At the present time the Railway Act does not provide for any special concessions to soldiers during war time, nor has the board of transport commissioners power to deal with the matter. In view of the fact that many men are taken to camps far from their homes, and the distribution of troops for training is spread over all Canada, it is most desirable to give soldiers some form of free transportation. Many of them have been killed on the highways while thumbing rides. To give an example of what I have in mind, there are twenty-six men from my own riding who are now in Newfoundland and who would like to get home. I suggest that after this bill receives second reading it be considered by a special committee of the house.

Motion agreed to and bill read the first time.

RULES OF THE HOUSE

DECISION OF MR. SPEAKER AS TO APPLICATION OF STANDING ORDER 37—READING OF SPEECHES

On the order for motions:

Mr. SPEAKER: Before the orders of the day are proceeded with I should like to amplify my previous ruling in connection with standing order 37.

I have been giving further consideration to the interpretation of this standing order in view of the discussion which took place yesterday. For the purpose of the record I shall read again standing order 37, which is as follows:

No member, except the Prime Minister and Leader of the Opposition, or a minister moving a government order and the member speaking in reply immediately after such minister, or a member making a motion of "no confidence" in the government and a minister replying thereto, shall speak for more than forty minutes at a time in any debate.

It will be recalled that this standing order was adopted on March 22, 1927, but since that date changes have been made in several departments to deal with the exigencies of these days; and where formerly there was only one minister of defence there is now a Minister of National Defence, a Minister of National Defence for Air and a Minister of National Defence for Naval Affairs. There are also two new departments, under the Minister of Munitions and Supply and the Minister of War Services.

I ruled yesterday that the Minister of Agriculture, who is also Minister of War Services, in his reply was not limited to forty minutes. I am of opinion that is a correct interpretation of standing order 37. I am now asked as to that interpretation should other ministers make reply. It will be noticed that the amendment moved by the leader of the opposition (Mr. Hanson) is as follows:

That the following be added to the address to His Excellency:

"We respectfully submit to Your Excellency that this house regrets that the government has continued to soothe the Canadian people regarding the war effort of the nation, thereby creating a false sense of security when a clear-cut call to action is desperately needed.

"And this house further regrets that despite the serious condition of agriculture no effective action is proposed to alleviate that condition and to ensure to the Canadian farmer a just, fair and reasonable return for his products."

And the amendment of the leader of the Social Credit group (Mr. Blackmore) is as follows:

That the following be added to the amendment:

"And this house further regrets the failure of the government to adopt a monetary policy that would permit a maximum war effort without either increasing debt or reducing the standards of living below that necessary for maintaining maximum efficiency;

"Furthermore this house is of the opinion that a continuation of the present financial policy will further destroy the precious liberties so essential to, and recognized as being inherent in a true democracy."

Both of these amendments make use of an embracing term, namely, "war effort of the government," and express their dissatisfaction.

I think I am correct in stating that the intention of the standing order was to give wide latitude to the opposition to attack the policy of the government and just as wide latitude for the government to make a full reply.

During the course of the debate the theme of every speech has been directed to the activities of the government in prosecuting the war effort and a request for a full and complete statement of such war efforts to the house. In order that this should be done properly and adequately each minister could only speak for his department and it would be impracticable if not impossible for one minister to reply for all departments.

I am inclined therefore to take the view that I should give as wide and as broad an interpretation of the rule as is possible in order that the very evident desire of the house be satisfied. I believe I will be giving effect to the sense of the house in the manner I have indicated so that in these war days a complete reply, unhampered by time, could be made by the ministers whose departments may be the subject of attack.

This ruling would affect six ministers, namely: The Minister of Agriculture and War Services (Mr. Gardiner), who has already

replied; the Minister of National Defence (Mr. Ralston), who is now replying; the Minister of National Defence for Air (Mr. Power), the Minister of National Defence for Naval Affairs (Mr. Macdonald), the Minister of Munitions and Supply (Mr. Howe), and the Minister of Finance (Mr. Ilsley). These ministers are all directly connected with the amendments which have been made.

While I am dealing with these matters with particular reference to the debate before the house, I would also like to remind the hon. members of the house as to the rule regarding reading of speeches. Last session I made a statement regarding the reading of speeches and I think all will agree that the rule was more closely observed thereafter. I find however that there is a tendency in this debate to read speeches. It would be very obnoxious for the chair to interrupt hon. members who are reading their speeches and I think this is a matter which the hon. members of the house should observe strictly. I therefore request the assistance of hon. members in that regard.

I need hardly state again what I said in the last session regarding important statements made by ministers on government policies which have been and may be read. The same also applies to statements of policy made by leaders of parties or chiefs of groups in the house; but when these statements are not important pronouncements the rule regarding reading speeches should be followed.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I assume the matter to which you have adverted is not debatable, but may I be permitted to make one or two observations with respect to the ruling?

If I gathered correctly what was said, your ruling is based on the principle of expediency and necessity, not on the strict interpretation of the rule. I should like to have it on that basis rather than to have it recorded as a precedent to be followed in the future.

Let me suggest to what point the ruling may lead the house. The Minister of Agriculture, who spoke yesterday, spoke in his capacity as Minister of Agriculture. But the Minister of National War Services is the same gentleman. Is he to have the opportunity to speak twice in the same debate, but in different capacities? It will be seen that if we follow the ruling through to its logical conclusion it might land us in a miasma of difficulty. I should hope it would be the consensus of hon. members that all these gentlemen should be allowed to make statements of length such as may be necessary

[Mr. Speaker.]

to permit the government to present its facts. However I should rather put it on the ground of courtesy than on that of a strict ruling from the chair.

With all respect I suggest that we ought not to extend the rule beyond what might be considered a proper interpretation.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, since this is such an important ruling may I be permitted to say a word on the point of order now under discussion?

I should like to remind the house that since 1927 conditions in the house have changed to a very considerable degree. I believe that will be readily admitted. But if these ministers are to be permitted to speak at greater length than the rule now allows it seems to me that some recognition should be given to the change so far as the opposition groups are concerned, and that in the broadening of the rule the leaders of other opposition groups should be accorded more latitude than is now allowed by the rule.

Mr. HANSON (York-Sunbury): The house will see the danger of opening the door.

Mr. COLDWELL: May I say most respectfully to Mr. Speaker, for whom I have the highest personal regard, that I do not think it was within the province of a Speaker of the house to broaden the rule in any particular. I suggest if an interpretation of such a nature is to be made it should be made in the same manner as the rule was originally made, that is to say, by a committee of the house.

May I make one or two observations on the question of the reading of speeches? I agree with Mr. Speaker when he says that the practice is undesirable. But if six ministers of the crown are to be allowed to read their carefully prepared speeches, then I submit that private members ought to be allowed to prepare carefully their replies and read them.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I am and always have been entirely opposed to the forty-minute rule. I believe all hon. members should be allowed to express their views. I would point out, however, that there is one aspect of the issue which has not been touched upon. In his ruling Mr. Speaker said he felt it his duty to extend the power given to ministers of the crown in respect to a vote of want of confidence in the government. No one appears to have considered what constitutes such a vote.

I seem to recall that during the strenuous time of 1922—it may have been 1924 or 1925—the government of that day did allow an amendment to the address moved by a member of the opposition to go through. It by no means follows that an amendment is

necessarily a vote of want of confidence in the government, unless a minister of the crown or the Prime Minister indicates that he shall so regard it, or unless it contains the specific words, "We move a vote of want of confidence in the government."

The amendment moved a few days ago by the leader of the opposition (Mr. Hanson), while it may appear to express a lack of confidence in the government, did not specifically state that it was a vote of want of confidence. My point is that that fact should be taken into consideration. Under the circumstances I do not think the ministers in question have any right to exceed the limits allowed under the rule.

Mr. J. T. THORSON (Selkirk): In connection with the actual wording of standing order 37 it seems to me there is one point to which reference might be made. There is a distinction between a member and a minister not being bound by the forty-minute rule. First of all, with regard to private members the rule states:

> No member, except the Prime Minister and the Leader of the Opposition, or a minister moving a government order and the member speaking in reply immediately after such minister—

And so on. Those words would seem to indicate that the only private member who is not bound by the forty-minute rule is the private member who speaks in reply immediately after the minister moving a government order. Therefore only one private member would not be bound by the forty-minute rule. But the rule proceeds to say:

> —or a member making a motion of "no confidence" in the government and a minister replying thereto.

It would seem to follow from the wording of the rule that the extension of the forty-minute limit is applicable not only to one minister but to any minister replying to a motion of "no confidence." Further, the extension applies to such minister, no matter whether he follows immediately after the motion of want of confidence or at any time during the course of the debate. Mr. Speaker, I suggest respectfully that your ruling is not based upon any ground of expediency, but rather that it follows as a matter of legal and proper interpretation of the standing order itself.

Mr. E. G. HANSELL (Macleod): Mr. Speaker, I find myself in hearty accord with what has been said by the hon. member for Rosetown-Biggar (Mr. Coldwell). However, considering that we are not all parliamentary experts, I was wondering if it would be asking too much of you, sir, to reserve your decision on such an important and complicated matter until after this present debate on the address.

I believe that in this particular debate hon. members should be given a reasonable latitude. I think we have been very fair with the government since the commencement of the war in trying to facilitate government business, and have perhaps not said some of the things we would have liked to say. If you, sir, could see your way clear to reserve your decision until after this present debate is concluded, it would be more pleasant to those of us who sit on this side of the house.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I rise not to debate either the rule or the interpretation which Your Honour has placed upon it. If that is necessary, perhaps another time would be better. I rise rather to point out why I think the interpretation which you, Mr. Speaker, have given is one which is eminently wise and wherein it should receive general approval by hon. members of this house. I feel certain that it will be generally approved by the people of Canada.

The purpose of calling this session at the present time was to enable the government to inform the opposition and the country of Canada's war effort. That is why we are here at this time. No one was stronger in urging that parliament should meet in November rather than in January in order that hon. members might be informed of the progress of Canada's war effort than the leader of the Cooperative Commonwealth Federation (Mr. Coldwell).

Mr. COLDWELL: I am not objecting to the extension being given to the minister; I think it should be done.

Mr. MACKENZIE KING: I am glad to hear my hon. friend say that, because it accords with what I wish to say. Nor did I understand the leader of the opposition (Mr. Hanson) to be strong in his objection to the interpretation given by the chair. However, my hon. friend did say that he thought the government ought to be allowed this latitude in order to defend itself; he used the word "defend". May I say that we have nothing to defend in regard to our war effort.

Mr. HANSON (York-Sunbury): The right hon. gentleman ought to have.

Mr. MACKENZIE KING: The war effort speaks for itself and defends itself.

Mr. HANSON (York-Sunbury): What has that to do with the ruling?

Mr. MACKENZIE KING: My hon. friend's remark had nothing to do with the ruling

We are glad to have the opportunity so far as we may to give hon. gentlemen such information as they may desire to have. For that reason, as I say, I think His Honour has given an interpretation to the rule which is the right one considering the circumstances under which this parliament has been called together.

Mr. NEILL: Why not suspend the rule?

Mr. MACKENZIE KING: It is not necessary to suspend it. Apparently hon. members are now more or less agreed that with respect to the present debate at any rate the interpretation placed upon the rule is a wise one.

May I pass on to a remark which was made in the course of the discussion by the leader of the Cooperative Commonwealth Federation. He suggested that some consideration might be given to changing the rules in order to give greater opportunity for debate to the different leaders on the opposition side. May I say that a considerable change has taken place in the application of the rules, a change which I believe does not accord strictly with the practice generally followed in parliamentary debates under British parliamentary procedure. There is a government and there is an opposition. Those who are for us, are for us, and those who are against us, are against us. Those who are not for us are against us. In this House of Commons there are two sides, the government side and the opposition. Every one has the opportunity to be on one side or on the other, it is for him to choose, but the only parties that are recognized under any law or rule pertaining to the House of Commons that I know of are the government and the opposition.

Ministers of the crown have their obligations and as members of the government they receive salaries in recognition of their obligations and duties. This House of Commons has placed the leader of the opposition in a similar position; it has given him a salary; made him an officer of parliament. Under our parliamentary system he represents the opposition. When it comes to speaking on the address, as in the present debate, my hon. friend the leader of the opposition speaks and then I reply. The practice has grown up of having the two leaders of the other groups speak before anyone else. It seems to me that that is giving more in the way of recognition to an opposition in this House of Commons than was ever intended under a procedure conducted strictly on opposition and government lines. It was never intended there should be two or more leaders of the opposition. I mention this only because my hon. friend has said that we should give greater recognition in the way of opportunity to other groups.

If this House of Commons begins to extend recognition to different groups we will have the number of groups increasing year after year. We will have a condition in this House of Commons in the course of time which will correspond to the condition they had in the chamber of deputies in France. In that country there were at times so many groups that it was almost impossible for any one group to get a majority sufficiently large to carry on the business of the country without all kinds of log-rolling. We know how disastrous that has proven to be.

Exception was taken to the province of the Speaker to interpret the rules. May I say I think His Honour has acted entirely within his jurisdiction in assuming the powers he has, and is rather to be thanked than criticized.

Mr. GEORGE BLACK (Yukon): Mr. Speaker, may I be allowed just one moment? With all due respect to you, sir, and to the Prime Minister (Mr. Mackenzie King) who has just announced officially on behalf of the government that this is to be a session of speeches rather than a session of business, I suggest that we should put aside the rules altogether for the remainder of this part of the session, until the adjournment that will take place before long. There is no business on the order paper except one forlorn bill which has been introduced by a private member. We all want to hear the ministers make their statements as to what the government is doing; we are looking forward with interest to hearing those statements, but this government is going to be hard put to it to keep this house in session more than a few days longer. There are perhaps only six more speeches to be made, so why worry about the rules? Why not expand the rules and let everyone speak as long as he likes and as often as he likes during the remainder of this part of the session?

Mr. SPEAKER: I should like to say to the house that my decision was not based upon expediency, nor was it intended as a courtesy from the house. The hon. member for Selkirk (Mr. Thorson) has referred to the fact that standing order 37 refers to "the member," not to one member, having the right to speak more than forty minutes. I had that in view when coming to the decision that a minister replying to a motion of want of confidence would be permitted to speak longer than forty minutes. In other days there was only one Minister of National Defence, but that has been changed since.

I had that fact in mind when arriving at my decision. The minister whose department is under review in the house must necessarily have the rights accorded under standing order 37.

So far as restricting the debate is concerned or giving some latitude I think the house will appreciate that I have been more than lenient at times in giving that consideration to hon. members, and I can assure the hon. member for Macleod (Mr. Hansell) that when the debate takes place he will receive, as will other members, proper recognition so long as I am in the chair.

OCEAN TRANSPORT

ALLEGED THREATENING OF OFFICERS BY CANADIAN NATIONAL STEAMSHIPS AUTHORITIES

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, may I direct a question to the Minister of Transport (Mr. Cardin) based on a telegram I have received from an officer of a steamship at an Atlantic coast port. If it is not convenient for the minister to reply to-day I should be glad if my question might stand as a notice of motion in order that I may get the information.

It is represented that officers are being threatened by the Canadian National Steamships authorities if they do not sail. I am going to ask the minister to look into the matter and give a statement to the house as soon as possible as to what the exact position is.

Hon. P. J. A. CARDIN (Minister of Transport): I understand that the leader of the opposition has already drawn the attention of the officers of the department to the very question which he has just raised, and an investigation has already been ordered to ascertain the facts.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I hope the leader of the opposition will not object if I say to him that both he and I have a special responsibility in matters pertaining to procedure in the house. One of these matters relates to the asking of questions. A habit is growing up of asking questions on the orders of the day not so much for the purpose of seeking information as trying to give information, or to make allegations which should not be given in the form of asking a question. Questions should be asked, if they are for the purpose of seeking information, in the form of a direct question and be confined to that. I hope my hon. friend will join with me in seeking to have hon. members on his side, including himself, follow the rule, and I shall similarly do what I can with hon. members on this side and with myself.

Mr. HANSON (York-Sunbury): Mr. Speaker, I agree entirely that I have some responsibility in upholding the rules of the house, but I certainly do not accept with equanimity the lecture I have just received from the Prime Minister. I have received a direct appeal from a man who is under threat from the Canadian National Steamships as to what will happen if he does not sail. I applied first to the Deputy Minister of Transport, and he was not able to give me the information. He gave me part of it. If I had got a full answer from him I would not have asked the question in the house. The part I want to know is, are these men under threat by Canadian National Steamships authorities under the Canadian government.

I just do not appreciate the lecture which the Prime Minister has given me, and I do not intend to be lectured by him.

PASSPORTS AND VISAS

INQUIRY AS TO POSSIBLE CHANGES IN THE REGULATIONS

On the orders of the day:

Mr. KARL HOMUTH (Waterloo South): Mr. Speaker, may I ask the Minister of Mines and Resources (Mr. Crerar) if he can inform the house whether there are to be any changes in the passport regulations? I understand a meeting was held this week having to do with the matter, and I have received inquiries in regard to it.

Hon. T. A. CRERAR (Minister of Mines and Resources): I have no information now on the matter that I can give to the house.

GREAT LAKES SHIPPING

QUESTION OF INVESTIGATION INTO RECENT DISASTERS AND MEASURES TO BE TAKEN

On the orders of the day:

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I should like to ask the Minister of Transport (Mr. Cardin) a question arising out of disasters to shipping on the upper lakes this week. Under the act the minister must order an inquiry either by the wreck commissioner or by a royal commission under the Inquiries Act. There were two hundred Canadian ships out in this storm on the great lakes, some of them old ships which had been out of commission for years. In the case of the *Anna C. Minch* twenty-one lives were lost, and nine lives were lost on the *Aberdeen,* which sank in the St. Lawrence river. The *Novadoc,* of Fort William, was also lost on the great lakes.

Will the minister, in view of the law, hold an investigation into great lakes shipping in the fall of the year, and include in the

investigation an inquiry as to the adequacy of the aids to navigation, safety devices, wireless, the issuing of clearance papers, life-saving stations, and whether on the lost vessels there was adequate provision of life-boats and life-saving equipment? Some of these ships were only river boats.

I would also ask whether some form of compensation or insurance or other aid will be given to the dependents of the men who lost their lives, either by the companies or by the government, or both. The law on the subject is clear.

Hon. P. J. A. CARDIN (Minister of Transport): Mr. Speaker, an inquiry is to be held in regard to the situation which my hon. friend from Broadview (Mr. Church) has just referred. All the details that he has mentioned will be included in the investigation, except that I cannot of course say that the government will undertake to provide any compensation until responsibility had been established against the government. As to compensation being paid by the insurance companies, that is not a question for the government.

Mr. CHURCH: If Canada is a nation, it should look after the sailors on the great lakes.

Mr. CARDIN: We are doing so.

PRAIRIE FARM ASSISTANCE

INQUIRY AS TO DECLARING 1940 AN EMERGENCY YEAR

On the orders of the day:

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, I should like to ask the Minister of Agriculture (Mr. Gardiner) whether the year 1940 has been declared an emergency year under the Prairie Farm Assistance Act.

Hon. J. G. GARDINER (Minister of Agriculture): The Prairie Farm Assistance Act provides that a decision shall be made in the month of November. The question has not yet been considered by the government. As soon as it is, an announcement will be made to the house.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Thursday, November 14, consideration of the motion of Mr. Brooke Claxton for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Hanson (York-Sunbury) and the amendment to the amendment of Mr. Blackmore.

[Mr. Church.]

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, only three and a half short months have elapsed since I gave to the house a summary of our military activities. You will remember that on that occasion I outlined the broad principles of our military policy. The immediate aspect of that policy was to combine with the United Kingdom and the other dominions, as quickly and as fully as possible, to defeat the common enemy. And the long term aspect was to provide for an effective organization of Canada's armed forces so that whatever might befall in the future we should be prepared, to the limit of our strength and resources, to take care of our own responsibilities.

In the "immediate" category I spoke of the strengthening and further organization of our fixed and our mobile defences in the east. I indicated too that we were not overlooking the west coast defences. But I stressed that hand in hand with these measures of north American defence we were concentrating on the training and equipping of the Canadian active service force to serve wherever they might be required either in Canada or overseas. And let me remind my hon. friend the leader of the opposition (Mr. Hanson), who seemed to think that we were attaching too much importance to Canadian defence, that I stressed in July that our front line was the island fortress of the British isles. Let me also tell him that, speaking in Montreal in September, I said, "Canada is in this war at the side of Britain, and Canada's front line is in England." And to-day, in spite of the continuous siege of that fortress by every means and every method which science and vandalism and brutality could devise, our Canadians stand side by side with the men of the British isles and of the empire on that front line which still holds firm. The house heard yesterday the eye-witness story told by the Minister of National War Services (Mr. Gardiner) of the steadfastness, not only of the sailors and soldiers and airmen in and around the British isles, but of those stout-hearted millions of people which make up their citizenship. They have taught their enemies, they have reassured their friends, that man is greater than the machine, that it takes more than engines of war in seemingly overwhelming numbers, more than the savage deluge of high explosives, to overcome the will to freedom. They have proven that disadvantages in equipment may be outweighed by superiority in fortitude and fearlessness.

In July, referring to immediate activities, I spoke of the necessity of providing maximum preliminary training for available man-power,

and also of the requirements for internal security. And as our general and long-term objective I said that our task must be never again to lapse into the inadequate position in which the armed forces of Canada—and Canada was not unique in this respect—had been placed for many years prior to the outbreak of war.

I can say to the house that those principles on which we were working then are the principles we are working on to-day. Any change has been only to emphasize more than ever the vital interest we feel in helping to hold and strengthen that front line on the English channel.

The carrying out of these principles, since I spoke to the house in July, has taken this country through a summer and into an autumn of military activity which I think has been unprecedented. I believe that this activity has produced and will produce effective results. My purpose is to review what has been done regarding this activity in relation to the army, and to indicate some of the plans for the future.

May I utter this word of caution: If hon. members expect ears to be tickled or feelings stirred or emotions aroused by dramatic pronouncements or revelations of new and unknown developments I am sure they will be disappointed. During the last three months the press has carried from time to time practically everything to which I am referring, so that there will be very little in the way of novelty. On the other hand a factual presentation regarding military activities dealing with organization, mobilization and training, and without the drama of actual operations, leaves no room for what might be called colourful presentation. I can only hope that what can be only a resumé of activities, drab though it may appear, will be of real interest to the house for the simple reason that it is concerned with Canada's participation in this most momentous of wars.

Canada's task has obviously involved two main activities: first, the procuring and preparation of our man-power with all the details of organization and administration which that involves—accommodation, rations, pay, clothing, medical and dental services, personal equipment, and, what is supremely important, the efficient training of that man-power; second, the procuring of equipment for the units and formations which we organize.

I yield to no one in my appreciation of the importance of equipment and of exhausting every means within our power of procuring it, but equipment can never wholly take the place of discipline and efficiency, resourcefulness and courage. Training and intensive training is more necessary than ever, and the work of raising and training men for an army of the size of the Canadian forces is an indispensable and vital part of our preparation and our contribution to the common cause. With that in mind I must express deep appreciation of the untiring interest and work of the staff, both at headquarters and in the various districts, and particularly of the officers, non-commissioned officers and men of our fighting forces, because their work represents thought and care and enthusiasm and unremitting effort, and above all it signifies a patriotism which, whenever the testing time comes will, I think, prove indomitable.

I ought first to mention a change in the names of the military forces of Canada. When I spoke last I mentioned four different groups, the Canadian active service force, the veterans home guard companies, the non-permanent active militia and the veterans reserve companies. Since then we have integrated all these groups into one structure called the Canadian Army, and we have simply divided the Canadian Army into active and reserve units and formations. The active portion is that which we know as the Canadian active service force, which includes the veterans home guard companies, and the reserve portion is that which we know as the non-permanent active militia and that includes the veterans reserve companies. While this is only a change of name it will I think help to avoid confusion, and it gives the military forces a title which better corresponds with the titles of the other services, the Royal Canadian Navy and the Royal Canadian Air Force. It does not involve any change in the names by which regiments and batteries and units are now commonly known, and does not imply any change in the status of units or in the obligations of individuals. These obligations, whether under voluntary enlistment or under the National Resources Mobilization Act, remain as they were before the change of name.

Another change which I think has been generally approved is the change in the name of the veterans home guard to Veterans Guard of Canada. This again does not affect any change in status of its component parts or of its members.

With that preface, here is the broad picture of the strength of the Canadian Army.

First, regarding the Canadian Army (active) which we have known as the Canadian active service force and the veterans home guard companies: On July 29, I stated that there were 31,607 troops of our active formations and units outside of Canada and 101,965 in Canada, or

a total of 133,572. The returns for October 29 show over 50,000 outside Canada and a considerable increase in the numbers in Canada.

Regarding the Canadian Army (reserve) which we have known as the non-permanent active militia and which includes the veterans reserve companies and the recruits called for training under the National Resources Mobilization Act: Recruiting for the reserve or non-permanent active militia units continued to be active until August 15 when it was stopped to allow progress to be made with the training of recruits called up under the National Resources Mobilization Act. On July 29 I stated that the strength of the reserve units was 47,373. This was from the latest figures available at that time. On October 29 the total strength of the reserve units was over double that number, not counting recruits in training centres under the National Resources Mobilization Act. On the same date there were 25,391 of these recruits undergoing training in 39 centres established across Canada. So that on October 29 the total strength of the Canadian army including active units overseas and in Canada, and the reserve units, was over 300,000.

During the period of acceleration in the spring and early summer of this year we set ourselves certain important objectives which included the raising of the third and fourth divisions and ancillary and certain unattached units, the recruiting to full strength of the infantry units of the reserve (non-permanent active militia) the dispatch of large numbers of troops to the United Kingdom and to island posts outside of Canada. We concentrated every effort in achieving the desired results without taking time for matters of reorganization which, though important, could wait. We wanted these things done quickly. Once it became certain that these objectives were within measurable distance of attainment, it was possible to devote more time to matters of organization.

Early in August, in keeping with the general policy of defence measures for Canada, the Atlantic command was formed under the command of Major-General Elkins. This command includes all of the three maritime provinces of New Brunswick, Nova Scotia and Prince Edward Island, and the eastern portion of the province of Quebec. It also includes the units of the Canadian army in Newfoundland. The administrative arrangements in this area continue to be the responsibility of the district officers commanding the military districts concerned, but the operational control of all coast defence troops and of the mobile forces stationed within the command is exercised by the general officer commanding-in-chief of the Atlantic command.

More recently, in October, the Pacific command has been formed consisting of the provinces of British Columbia and Alberta, with headquarters at Victoria. The general officer commanding-in-chief, Major-General Alexander, is responsible for all operational matters which affect the Pacific defences. He will control coastal defences through fortress and area commanders and also all mobile land forces which may be detailed for operational purposes in defence of the Pacific coast.

In the case of both Atlantic and Pacific commands the general officer commanding will be working in the closest cooperation with the equivalent commanders of the Royal Canadian Navy and the Royal Canadian Air Force in the respective areas.

The organization of the third Canadian division has been completed by the appointment of the brigade and divisional commanders. Major General Sansom, who was formerly on General McNaughton's staff and later on the staff of Canadian Military headquarters in London, has been appointed general officer commanding this division and has just arrived in Canada. The brigade commanders are Brigadier H. O. N. Brownfield, M.C., commanding the 3rd divisional artillery; Brigadier W. G. Colquhoun, M.C., commanding the 7th infantry brigade; Brigadier J. P. U. Archambault, D.S.O., M.C., commanding the 8th infantry brigade and Brigadier E. W. Haldenby, M.C., V.D., commanding the 9th infantry brigade. This division will be concentrated for the present at certain points in eastern Canada along with certain other unattached units.

The organization of the 4th Canadian division is in progress, and its units and formations are located at the moment at various parts in central and western Canada. It is expected very shortly I shall be able to announce the names of the commanders of brigades of that division.

New active army units have been mobilized, including:

An armoured car regiment;
Two light anti-aircraft regiments with associated signal and workshop sections;
Two army field workshops to provide for the servicing of units of the 3rd and 4th division; and
A motor ambulance convoy.

Twenty companies of the Canadian forestry corps have now been raised and are in training under the command of Brigadier J. B. White, D.S.O., E.D. Seventeen additional reserve companies of the Veterans Guard of Canada have been formed bringing the total number of these reserve companies to 43. These are in addition to the 29 active army companies already authorized in this force, which comprise 6,627 officers and men. The

Veterans Guard of Canada is under the command of Lieutenant-Colonel H. R. Alley, O.B.E., L.D.

Special interest, I think, was taken in the announcement of the formation of the Canadian armoured corps, under Colonel F. C. Worthington, M.C., M.M., an officer experienced in armoured fighting vehicles. The corps is to consist of four mobilized regiments which includes two of the already mobilized cavalry regiments of the active army and four reserve army regiments.

One armoured brigade is already being organized and expanded into a complete group by the addition of the necessary artillery, engineer, army service corps, and ordnance units which are now mobilizing. Units to form a nucleus for a second group are available.

In order to facilitate the training, we secured about 200 tanks from the United States. While these tanks are of an old type, they will serve well in training the many specialists and tradesmen required in this sort of formation. As the house probably knows, we had a number of tanks at Borden in addition to this very much larger number which were secured from the United States. Selected personnel are being given special training in the United Kingdom so that when we are ready to expand the initial groups into larger formations capable instructors will be available.

The Canadian provost corps has been organized under the command of Colonel P. A. Piuze. Eleven provost companies have been mobilized and these provide personnel for provost duties in the various military districts and also staff for internment camps and detention barracks. Each military district has at least one company headquarters and a part or whole of a provost company in accordance with requirements. Experience has taught us that an army is not an army unless it has bands. Grants to be used for the purchase of instruments had previously been authorized and authority has been granted for the formation of bands in many active army units from personnel in the present unit establishment.

The house will ask about the activities of these various troops of ours. We naturally think first of our men outside of Canada, on the front line in England and at various strategic points. We have in the United Kingdom the bulk of two divisions and their requisite proportion of corps troops. In addition to these, we have under command of Canadian military headquarters, reinforcements nearly equal in numbers to another division, besides the large numbers of reinforcements still on this side. We get weekly reports which give us in considerable detail the work which is done by our Canadian troops in England and some of the tasks to which they are assigned from time to time. No troops in England are more fit or ready for any task which comes. They know what their job is and are eager and anxious to take their turn in the battle of Britain. Their presence side by side with the troops of the old land, and the reputation they have already made, is a source of pride to Canada and I know too that at the war office no troops rank higher in dependability and efficiency.

Just here, Mr. Speaker, I feel that I should refer to what I regard as a most unfortunate expression or sentiment which was uttered by my hon. friend the leader of the opposition (Mr. Hanson) in the course of his speech the other day. He said:

> . . . our contribution to the first battle of Britain has been rather pitiful. In fact it has not been a factor in the defence of Britain at all, so far as I am aware. If I am wrong I hope my hon. friend will illuminate the position.

I do feel that my hon. friend did not do justice either to himself or to those he represents, in the use of that expression. Let me remind the house that upon the invasion of Norway the British government at once decided to dispatch troops to the assistance of that country. There was need for prompt action, and a request was made to whom? It was made to Canadian military headquarters, that part of the first Canadian division should be dispatched with a special British force. There was no hesitation, no red tape; we responded at once and troops were detailed from the first division. Preparations for the dispatch of the troops were completed, and the troops left their camps in England on the day following that upon which the request from the British government was received.

That was one instance where, when the need arose, Canada responded; and I think it may be said that the situation loses none of its significance by reason of the fact that operational plans were later changed and the force did not actually do battle in Norway. And prior to last June, as the house knows, on more than one occasion Canadian troops promptly left their camps and were ready at embarkation points under orders to join the British expeditionary force and the French army in their desperate struggle in northern France and Belgium; and the fact that Canadian troops were not actually dispatched on those occasions was due entirely to decisions which were reached by the higher military command. As a matter of fact the actual movement to France of the first division, with a portion of non-divisional

troops, was under way, and we all know how and why it became necessary to call them back. General McNaughton especially emphasized at that time that no Canadian unit withdrew until ordered to do so by senior military authorities.

I see nothing pitiful, Mr. Speaker, about having troops in England in which the war office had such confidence as to call upon them suddenly for extremely important and hazardous tasks; and I see nothing pitiful in having our troops in numbers equal to about three divisions helping to hold the front line and given the responsibility for a definite sector. No, Mr. Speaker, the leader of the opposition does himself less than justice, as, what is much more important, he does our troops and our country less than justice, when he makes use of the expression "pitiful" in reference to the contribution made in the battle of Britain by Canada's army. It was wholly unwarranted. Let me say further that in this respect I am not mentioning the really thrilling contribution which has been made by the Royal Canadian Navy and the Royal Canadian Air Force, which will be dealt with by my hon. friends the Minister of National Defence for Naval Affairs (Mr. Macdonald) and the Minister of National Defence for Air (Mr. Power).

As the house knows, we have troops in Iceland, Newfoundland and the Caribbean, and in certain instances additions or redistributions have been or are being made to strengthen the strategic position. We owe a great deal to these troops, who constitute the defence outposts of this continent and who, unseen and unheard of, loyally perform their tasks which help to provide security against emergencies.

In Canada the active units are on coast defence on the Pacific and the Atlantic. They are furnishing guards for vulnerable points and for internment camps. They provide a mobile force for use in or out of Canada as required, and they are training at various camps and training centres throughout the dominion, where our accommodation is taxed to the limit. I have had the satisfaction of visiting a number of these camps and units. I have been immensely pleased with the keenness and interest which they are taking in their jobs, whatever they may be. We need have no fear about their being worthy in every way of the high standard which Canadian soldiers have set. I believe the work of the troops on coast defence and on guard duty deserves a special word. Day in and day out, in all kinds of weather, summer and winter, these men perform unspectacular but most important duties. They must keep constantly on the alert, although at times the incentive for doing so may seem to be lacking. Their faithful service is recognized and appreciated.

With regard to these troops the house might be interested to know that we are endeavouring to give the infantry units who are on coast defence garrison duty at least temporary relief by replacing them with units now at training camps. To make this policy of interchange more feasible it is proposed to organize all coast defence infantry battalions in future on the basis of field war establishments instead of garrison war establishments. As the house will understand, that will enable the infantry units on coast defence to get some change from their present duties and to attain higher standards in training for field duties.

Among these troops in Canada are large numbers of reinforcements which, on account of the very few casualties, have not been called upon. The other day my hon. friend the leader of the opposition asked with regard to our preparation for reinforcements. Let me recall to him what I have just said, that we have large numbers of reinforcements in England and larger numbers in Canada; and on account of the fact that there have been very few casualties these troops have not been called upon. I hope that may answer his query. With regard to reinforcements, it must be remembered that sending a formation overseas does not merely involve the raising of, say fifteen thousand men for a division, with its ancillary troops. It also means that we take on an obligation of reinforcing that division in all its ranks. Under normal war conditions these reinforcements might amount to one hundred per cent in a year. Consequently the capacity of a country to maintain armies in the field depends on the manpower reinforcing ability that lies behind the army and also, of course, on the capacity of industry to turn out not only initial equipment but an adequate and regular flow of equipment to replace wastage.

The establishment of the Atlantic and Pacific commands has meant much more than a mere realignment of senior command. It is a part of the broader policy under which careful consideration has been given to the best disposition of our available troops, with a view to having in readiness mobile and other units in case of emergency. Apart from the concentrations in the Atlantic and Pacific commands, portions of the active army are stationed at points throughout the dominion which are considered the most useful from the strategic point of view consistent with the requirements of accommodation and training.

Then we have the reserve units of the Canadian army (which we know as the non-

permanent active militia). Here different factors govern. The men in this part of the army are not full-time soldiers. Whether they joined prior to August 15 or have been called up for training under the National Resources Mobilization Act, the great majority are men in civilian jobs who do their military training in their spare time and at camps or on the thirty-day basis at the training centres. Regimental headquarters of these units remain in their own localities. Training is made as convenient as possible as to both time and place, and with as little interference as can be in the routine of daily life and work.

Just here I should like to refer for a moment to the address made the other night by the hon. member for Hastings-Peterborough (Mr. White) who, as the house might not have realized, was dealing with a non-permanent active militia unit.

Mr. HANSON (York-Sunbury): He said he was.

Mr. RALSTON: I beg my hon. friend's pardon; I did not know that he said so, but in any event I just want to emphasize that. My hon. friend dealt with some of the difficulties of a non-permanent active militia unit. I just want to recall to the house what was undertaken in the spring and summer of 1940. Between June and the time these units went to camp we undertook to raise—and we did raise—an additional 42,611 men in the Canadian active service force and an additional 39,786 in the non-permanent active militia, and we had facing us the camps for practically 30,000 men for the militia training centres under the National Resources Mobilization Act. In other words, clothing and equipment for 111,000 men had to be asked for in those three months of the summer. We went at this work, just as hard as we could.

Mr. HANSON (York-Sunbury): Does the minister suggest that the thirty-day training plan was at the beginning of the summer? That was not until a month after the registration was completed. He cannot hook that up.

Mr. RALSTON: I am hooking it up for the purpose of showing what manufacturing had to be done to provide clothing and equipment for the troops in prospect.

The hon. member for Hastings-Peterborough mentioned that his unit went into camp on September 2, I believe it was. He will correct me if I am wrong. September 2 was a long time after the National Resources Mobilization Act was announced, and long after the training plan was announced. We had over 100,000 men to provide for. That is the tax and the strain on industry which was placed upon the shoulders of my colleague, the Minister of Munitions and Supply (Mr. Howe). He was to provide the clothing and equipment for all those men.

Nevertheless, the hon. member for Hastings-Peterborough says, "The issue consisted of a cap, a blouse tunic, a pair of trousers, a shirt and a pair of boots." I will tell him that if he had been in the non-permanent active militia previously he would not have had boots, because boots were not issued to the non-permanent active militia until this year. They were issued by us in connection with the general change. He complains that socks were not issued to the non-permanent active militia. Men took their own socks and took their own boots. My hon. friend was issued with boots. I visited forty-two non-permanent active militia camps during the summer. I admit the men had not serge dress, but I think a great many of them did not want it. At the same time I do say—and I am not saying this in any complacent spirit, because I want to see units and men equipped to the last item of equipment to which they are entitled, and for which the issue provides—there was remarkable uniformity in those camps. And I say it was splendid, the way in which the men and the officers rustled around to get the things they needed.

I say to the hon. member for Hastings-Peterborough, in all kindness, that I happened to be in uniform while I was a member of a legislature—I was not a member of parliament—away back in 1914-15 and 1915-16. I was a member of a unit, and a member of the Canadian expeditionary force, too. That unit was entitled to a good deal of equipment, but there was a lot of it we did not have. First as a platoon commander and afterwards as second commander of a company I considered it my duty to make the life of the quartermaster, and the life of the ordnance branch miserable until I got the items we needed. I did not go to the house of assembly to make a speech about it. Of course the hon. member is perfectly right—

Mr. HANSON (York-Sunbury): Does the minister question the right of the hon. member for Hastings-Peterborough to make a speech?

Mr. RALSTON: I was just about to say that I do not question the right of my hon. friend, if he thinks it best to make his complaint here; he has his right to do so. He happens to be a member of parliament, and also an officer in the army. He has made his complaint here, and I do not doubt other

members will do so. But I do say the way to get what is needed is the way I have indicated. I should say this, that my hon. friend might have indicated to somebody at headquarters that he did not consider his unit was being properly looked after. I would have been glad to hear from him myself, but I never heard anything about it until my hon. friend spoke the other night.

Mr. WHITE: The minister is probably aware, better than anyone else, that no member of the forces is allowed under any circumstances to communicate with national defence headquarters. He knows that all such communications must come through the proper channels.

Mr. RALSTON: I wonder if my hon. friend thinks, seriously, that that is applied to members of parliament. If that rule were applied, how would the hon. member have felt entitled to make his speech?

Mr. HANSON (York-Sunbury): Oh, oh; this is a democracy.

Mr. RALSTON: My hon. friend knows well that the door of the Department of National Defence is open to any member of parliament, and he may come at any time. I am saying this to my hon. friend only because I have been through the experience which he seems to have been through, and we got through it all right.

Mr. WHITE: May I interrupt the minister? He mentioned something about going to the ordnance branch. That may be all right, but if the ordnance branch had not received these supplies they simply could not pass them along.

Mr. RALSTON: That is correct.

Mr. WHITE: I have been to the ordnance.

Mr. RALSTON: Quite right. But what I want to say to my hon. friend is that the ordnance had a good many demands made upon them, and it seems to me he was not badly off in getting the list which he has put on record, if I may judge from what I have seen in the other camps. I had no complaints from other camps with regard to the same matter.

Let me mention something else. He has mentioned that there was no underwear. There is no issue of underwear to the non-permanent active militia. My hon. friend probably knows that, but he mentioned underwear. Then, he mentioned socks, and the same thing applies. Further, he mentioned aiming rests, and said that there was none available. I wonder whether hon. members know just what aiming rests are. They are made by putting three poles together, and putting a sand bag between them. Generally we regard most units as being able to make them for themselves. It seems to me my hon. friend, in his enumeration of deficiencies, did not miss anything which could be wanting.

He mentioned serge suits. I understand his unit has a full issue of about 800 serge suits; is that correct?

Mr. WHITE: There is quite a large number of men who have not serge suits.

Mr. RALSTON: I understand that 797 serge suits were issued to that unit.

Mr. WHITE: There are eighty men in one company without serge suits.

Mr. RALSTON: My hon. friend's unit must be over-strength, then.

Then, with regard to greatcoats, he mentioned that some of the men were cold. I understand there were 1,000 greatcoats at Petawawa camp for the use of the non-permanent active militia on special guard duty, or anything of that kind. I do not know whether the hon. member discovered that or not, but they were there. Then, he mentioned a lack of machine guns. I am informed that his unit had four Lewis guns. He mentioned, too, the Bren gun, and made some observation about the Bren gun passing through the line.

Mr. HANSON (York-Sunbury): Briefly.

Mr. RALSTON: Yes, passing briefly through the line. Well, here is the order which was issued in that connection:

> Arrangements have been made to have a Bren gun on the training area Monday, September 9. This gun will be in charge of Q.M.S.I. Hegarty who will take it to the units in turn and give a brief demonstration.

That was a Bren gun for a non-permanent active militia unit in camp for fifteen days and, as I understand it, was for a unit which already had four Lewis guns.

My hon. friend understands—we all understand—that we have not very many Bren guns to spare for the non-permanent active militia units, when we have in Canada over 100,000 Canadian active service force troops.

Then, my hon. friend mentioned gas. I understand that my hon. friend's unit was put through a gas chamber, and that a non-commissioned officer and six men were given intensive training in gas protection, so that they might instruct at headquarters. Since then, thirty-five respirators have been issued to his unit for the purpose of continuing that training. I believe hon. members would not expect us to issue gas respirators to every member of the non-permanent active militia units. It is only for the purpose of training.

I am not, as the house knows, blaming my hon. friend, but I assure him that we were under tremendous handicaps this summer. I assure him, too, that the clothing was not piled up in the minister's office, or anything of that kind. On the contrary, it was issued and distributed to the units just as fast as we could get it. My hon. friend as well as every other hon. member must remember the threat of emergencies which existed along the coasts of Canada during this summer.

Let me now proceed to my reference to the non-permanent active militia units—and in this I include my hon. friend's unit. I have said before, and I repeat and emphasize it, that our non-permanent active militia units have been the back-bone of the mobilization of our active army, and I cannot praise too highly the interest, the enthusiasm and hard work which have been given so freely by the officers, the non-commissioned officers and the men who have taken part, in season and out of season, in maintaining the organization of this nucleus of citizen soldiers in centres, in communities and in hamlets all across the dominion. I have had the satisfaction of visiting a number of the non-permanent active militia camps and it gave me a good deal of satisfaction to see the keenness and the enthusiasm and the degree of proficiency with which they were intent on achieving.

I remember in one province—I do not want to make my hon. friend the Minister of Pensions and National Health (Mr. Mackenzie) too proud, but it happened to be in British Columbia—the members of one non-permanent active militia unit insisted on meeting after hours. I have no doubt that this was not the only place where this occurred. The sergeants were conducting classes of their own in order that they might be better able to mount guard and go through the exercises. They were trying to achieve that proficiency which was necessary on their part in order to make this the best unit in Canada. This is only a sample of what is going on all over the country.

I found that a platoon in one particular organization had sent its members to the camp in order that they might take a citizen's part in connection with the military training. I found professors from universities working side by side with labourers in the ranks, all anxious to make the best they could of the training which was provided.

This is the broad picture in briefest outline. From the front line in England, through the outlying islands of the Atlantic to our own coast, and from our coasts to the farthest inland point, our troops are at their posts. The early training is elementary and takes place as near home as possible. As the men voluntarily move into the active army units, units are organized and training becomes a full-time job. As the training advances, and equipment is received, these units are given more responsible work until finally they are fitted for the most important work of all, in our coastal commands or overseas.

I know that the house and the country have been particularly interested in the compulsory training scheme. I think I can say with some emphasis that the first thirty-day camp has been a distinct success. There was, of course, the physical difficulty of building and equipping thirty-nine camps across Canada in about two months. There was the problem of instructing thirty-nine staffs regarding an intensive thirty-day training syllabus and in the administration details of an organization which was new and which we felt must not be allowed to go wrong. These physical and preparatory difficulties were effectively overcome and the camps opened on October 9. Drill halls were one facility which were lacking in practically all the camps. I cannot go into the details as to the reasons for that, but I can say now that I expect that drill halls will practically all be completed by the time the next camp opens.

But the solution of problems of accommodation and instruction and administration was of secondary importance to the fact that the plan involved the inauguration across Canada of a new principle. When we stop to think about it, the real success of the undertaking lay in the fact that Canadians accepted this new principle of compulsory training as a necessary part of our activity. It was not anything the government did. Over 25,000 young men made that acceptance a living practical reality by the keenness and the enthusiasm which they displayed at the thirty-nine military training camps in the last four weeks.

Regarding the length of training, obviously no one expected or pretended that you could turn out a trained soldier in thirty days, but I am sure that even those who criticized it did not have in mind either the degree of preparation or the intensity of effort which has been packed into those thirty days. I think that all of us who have visited any of these camps have been most agreeably surprised at the progress which has been made and the interest which has been taken. I want now to express sincere appreciation to all who have contributed to this initial success—the indefatigable efforts of staffs of all branches of the service; the careful preparation by camp staffs, and the interest of communities, members of parliament and of

citizens generally in helping to give such an excellent start to this far-reaching plan of national service.

I ought to remind the house that the thirty-day training period was never unchangeable or final. My colleague, the Minister of National Defence for Air (Mr. Power) made that clear when he was Acting Minister of National Defence in his statement to the house on June 18 last, as reported in *Hansard* at page 861. He said at that time:

> The length of the period of training will be determined by regulation. Whether this will be for the continuous period of three months or for a lesser time depends: (a) on the advice of the technical officers of the department; (b) on the requirements of industrial and productive man-power as shown by a survey to be immediately undertaken.

The matter has been under repeated review both by myself, the war committee of the cabinet and by the staff. In a statement to the press some time ago I said that there had been representations regarding the increasing need of men in war industries, and that this whole subject was receiving the intensive study of a committee. I mentioned that one of the methods suggested in order to make more men available for industry might be to make the training period longer and thereby to reduce the total number of men to be called for training during any one year, and I indicated that various methods were being studied and that "whether any change might be made in connection with some of the later camps would depend on the result of the study which is now being made of the whole man-power problem and the needs of the munitions industry and of the services." A little later, on October 8, 1940, the chief of general staff, in his address in Ottawa—referred to by the leader of the opposition—referred to my statement and said:

> As my minister stated the other day, consideration is being given to possible alterations in the training schedule in order to adjust the period of compulsory training to changes and improvements in conditions and to the requirements of industry.

There is therefore nothing new in the suggestion of a longer camp period. It depends on such factors as the equipment available, the degree of training desirable and the needs of industry. In the extract which the leader of the opposition quoted, General Crerar indicated quite clearly that the determining factors at the time the scheme was launched were the importance of giving the largest possible number of young Canadians a practical outlook on their obligations with respect to national defence, and the restriction of the training period induced by the limited supply of modern weapons which would be required to continue beyond a short basic syllabus. Those two points are now in process of being met; the response to the first camp has been such that no man can doubt that the sense of obligation of which General Crerar spoke exists and is genuinely aroused. And I am sure that a second and a third camp will deepen and spread that sense of obligation; for it must be remembered that the men in these training centres represent a cross-section of the dominion.

Regarding equipment: we can now see prospects of increases which will make a longer period of training possible a little later on. But we also have to take account of the requirements of industry, particularly as we get into the higher age groups. Rightly or wrongly, industry has felt disturbed by the call of the lower age classes. Frankly, I think that there was no justification for that disturbance. The Minister of National War Services (Mr. Gardiner) had provided that war industries could make applications for postponement of the training of key men, and I have not heard of any cases in which, when bona fide applications were made, postponements were not granted. Nevertheless, it is a fact that the more men we train, the greater will be industry's concern regarding the possibilities of interference with war production. I have said it before, and I say it again, that under present conditions it is essential to the completion of equipment and the completion of training of those large numbers of men we now have in the Canadian army, that the needs of war industry for man-power be not interfered with.

To show our earnestness in this matter, the Department of National Defence has laid down the principle that it is not in competition with, but in cooperation with, war industry. As I indicated in a radio address early in July, nearly fifty per cent of the personnel in the modern army are tradesmen of one sort or other. Long ago we made it the rule that we would not accept tradesmen in the army except when there was a vacancy in the establishment for that particular trade. We have gone farther, and are preparing to undertake the training of the bulk of the tradesmen we will require in the army. We have gone farther, and have indicated to the departments concerned that we are ready to consider, subject of course to proper safeguards, granting extended leave to enlisted men in Canada who can be spared and whose services are requested by their former employers in connection with war-time production.

The war committee of the cabinet has had the matter of the length of the training period

under review repeatedly in connection with the man-power problem, and we are now considering the further step of lengthening the training period to four months and reducing the aggregate number of men to be called from civil occupations in the year. This would at the same time give us in the citizenship of Canada a large number of men whose individual training would be complete.

Such an extension of time and reduction in numbers ought to help to prevent undue disturbance in industry. It would, however, involve some system of exemptions or extended postponements in order to meet the necessities of war-time production, and studies have already been made of the most practical methods of working this out.

These matters, both of length of training and of effect on industry and of exemptions, are subjects to which the United Kingdom has given a great deal of attention and we propose, before final authorization of this extension of the training period is given, to examine the situation on the ground when I am in England in consultation with the governmental authorities and staff who are concerned with this phase of the war problem.

Mr. HANSON (York-Sunbury): Will it be a condition precedent that the man himself consent? I know of a case where a man was wanted very badly to go back to an important job, but he absolutely refused to go because he wanted to stay in the army. I think account should be taken of that.

Mr. RALSTON: The house will understand that what I am doing is indicating the attitude of the Department of National Defence vis-à-vis industry. I am not saying what regulations will be put into effect in order to carry out the requirements. What shall be done with the man who is wanted in industry as a machinist, whether he wants to go or not, is a different story.

In the meantime, plans will be completed to facilitate the change if that is finally decided upon.

In any event there will be at least two more thirty-day training camps, that is, the one opening November 22 and another one early in January.

I make no apologies for the time taken in dealing with this matter of compulsory training. It affects man-power, both for the services and for industry. It involves, as I have said, a fundamentally new principle in connection with military training. It has received willing acceptance by those who are called for training and by the citizens of Canada generally. It can, I believe, be made an agency for providing reserves of trained citizens if needed for defence in Canada and at the same time assuring full scope to war production activities.

While I have spoken of the training plan under the National Resources Mobilization Act, perhaps some other features of army training may be of interest.

Our seventeen active army (C.A.S.F.) training centres continue to provide trained reinforcements for units overseas in all arms of the service. The two small arms schools have been converted into small arms training centres. They will conduct certain courses continuously throughout the entire year instead of during the summer months only as has been the case in the past. We have also special courses of instruction for internment camp guards and provost corps personnel.

These various active army training centres throughout Canada have been working to full capacity and at top speed during the favourable training weather in the summer and early autumn months. All available accommodation was in use for the purpose of giving instruction in such forms of training as rifle and light machine gun, anti-gas and elementary demolitions; training for personnel of forestry companies, cookery courses, driving and maintenance, refresher courses for officers, master-gunners courses, training of searchlight personnel and radiography.

Great strides were made in the unit training of active army formations, and during the camp period of the summer extensive field training has been carried out. For the winter, in addition to other training, preparations are being made for training on skis and snowshoes. Certain units have been selected to undergo special training in this connection, and we are issuing training instructions and equipment of appropriate types.

One of the most important questions we have had to consider is how the junior officers for our armies are to be selected and trained. We must bear the following points in mind: (a) We face a long war and must use our man-power resources to the best advantage. (b) We shall meet a highly trained and efficient enemy and must therefore insist that all officers attain a high standard of leadership. I underline the word "leadership".

We have reviewed the qualifications for officers, which have varied considerably, depending on different units and formations. We have determined on measures which will make for more uniformity, and which, we believe, will improve the standard of officer qualification.

Included in these measures is the decision that for the future every candidate for a commission in the Canadian Army must

first pass through the ranks. Then, after a certain amount of training in the ranks, if their commanding officer finds them to have the required standing, they will be given the status of officer cadets and will be trained for their commissions at officer training centres, active or reserve. This system has been based on a study of the experiences of the last war and on the present practice in the British army.

Mr. HANSON (York-Sunbury): Would the minister tell us what the practice was up to the time when this decision was made?

Mr. RALSTON: I say this to my hon. friend seriously. I would have to recite to him at least one page and a half of different regulations in order to answer that question. The regulations were three ways in the non-permanent active militia, and two ways in the Canadian active service force and I would not attempt to give the details from memory. But one thing that stuck out was the one-day examination, which I felt was certainly not satisfactory, and the other thing that stuck out was that some people, it seemed to me, got in with very little training. The idea here has been to adopt the system of training in the ranks first, and, second, training at a training centre, and not just training at headquarters.

Mr. HANSON (York-Sunbury): I would not ask the minister to answer my question further.

Mr. RALSTON: I am sorry I could not at the moment. This does not apply to those who already had commissions.

Mr. GREEN: Does this new plan apply to both the active army and the reserve army?

Mr. RALSTON: Yes.

Now I come to accommodation. Consequent on the organization of the two coastal commands, the decision was made to concentrate troops at various centres within the commands. This required the erection of most extensive camps and preparations for winter occupation. This work has progressed rapidly and is reaching completion. Winter accommodation has also been provided at most of the larger permanent camps. I have already spoken of the rapid construction of the accommodation for 30,000 men in the thirty-nine reserve training centres.

Other establishments such as ordnance workshops, storage buildings, magazines and training buildings have been or are being built.

The more important army camps are at Debert and Sussex in the Atlantic command, Valcartier in Quebec, Camp Borden and Petawawa in Ontario, Shilo in Manitoba, Dundurn in Saskatchewan and Nanaimo in the Pacific command. Camps at Aldershot, Barriefield, Niagara and Sarcee have also been actively occupied during the training season.

There are, however, a good many other military establishments. Active army (C.A.S.F.) training centres are at the following places, and I think it is worth while to read them because I do not think the house appreciates the extent and diversity of the training which is being done. These are the training centres—not training by individual units at their headquarters or training in the units, but places to which men may be sent from all the units across Canada in order to receive training in connection with the army:

For infantry (rifle)—Camp Borden, Valcartier, Aldershot, Winnipeg and Calgary.
For infantry (machine gun)—Three Rivers and Dundurn.
For small arms—Kingston and Lethbridge.
For artillery—Winnipeg and Petawawa.
For engineers—Petawawa.
For signals—Barriefield.
For mechanized cavalry, armoured car and tank—Camp Borden.
For army service corps—Camp Borden.
For medicals—Ottawa.
For ordnance—Kingston and Petawawa.

Then we have district depots including staffs and reinforcements at the various headquarters of the military districts, with a number of sub-depots.

During the winter months there will be units stationed at many other points across the country where winter accommodation is obtainable and where there are facilities for training. Some idea of the magnitude of the work that has been done to prepare winter quarters for the troops can be realized from the following table showing the amount in round figures which has been or is being spent in accommodation for men, for vehicles and for administration and training facilities at some of the camps:

At Debert	$6,000,000
At Nanaimo	1,365,000
At Sussex	1,800,000
Coast defences	2,500,000
Camp Borden	4,100,000
Petawawa	2,750,000
Valcartier	1,720,000
Newfoundland	670,000
Nova Scotia	2,290,000
Saint John area	432,000
Militia training centres (thirty-nine centres)	8,950,000

The figures for Nova Scotia and the Saint John area are since the beginning of the war.

Altogether we now have winter quarters in Canada for approximately 150,000 troops,

compared with less than 50,000 in the winter of 1939-40. The use of converted buildings has been largely discontinued, and the great majority of this large number of men is accommodated in hutments designed and constructed specially for this purpose.

Mr. HANSON (York-Sunbury): Does the minister suggest that these huts at Fredericton are suitable for winter service? He had better go and take a look at them.

Mr. RALSTON: I should be glad to look at them.

Mr. HANSON (York-Sunbury): Unless something more is done to them, the men will freeze to death.

Mr. RALSTON: Is my hon. friend talking about the militia centres?

Mr. HANSON (York-Sunbury): The thirty-day training centres.

Mr. RALSTON: Is my hon. friend sure? It is believed that these hutments are fit for winter accommodation in places that are a good deal colder than Fredericton; they have been tried out in such places. The Minister of Trade and Commerce (Mr. MacKinnon) will admit that it is somewhat colder in Edmonton than in Fredericton and they use that kind of hut there with three stoves. I might mention Quebec also. I am not dogmatic in anything, I only say they are designed for winter accommodation.

Mr. HANSON (York-Sunbury): They should have something done, because they are all open.

Mr. RALSTON: I assure my hon. friend they will be banked.

Mr. MICHAUD: It has been done.

Mr. RALSTON: In most centres where I have been, the banking has already been done, or at least the lumber has been put up underneath.

Mr. HANSON (York-Sunbury): I was there on November 2.

Mr. RALSTON: My hon. friend mentioned two matters, and while I am dealing with hutments I might as well deal with them. My hon. friend suggested that the hutments which were being built were of British specification. I do not think they would be any the worse for that, but I assure my hon. friend that they are not of British specification; they are Canadian specification, they are an evolution of hutments which have been used year after year in some of the more permanent centres, and the design is thought to be well-suited to Canadian needs. I have no doubt we shall learn something this winter with regard to them. I remember that the designs of the hutments last year had the ablution section of the hut in the end of the sleeping quarters; now the hutments are built in the form of an H with the sleeping quarters as the wings and the ablution section in between as the bar of the H.

With regard to the matter of costs and the cost of building by the engineer service vis-à-vis contractors, I have had that fully in mind as well. There were no less than ten of these camps which were built by contractors because of the fact that it was felt undesirable that the department and contractors who were already on the ground building something else for the services should be in competition in respect of labour. An arrangement was made between my hon. friend the Minister of Munitions and Supply and myself that the huts at these places would be built by contract. I want to assure my hon. friend that I have now as competent an engineer as I think there is in Canada, with an assistant and a representative of the quartermaster-general, visiting most of these camps and looking them over for the purpose of making a comparison of the camps from the point of view of expedition in building, of design and workmanship, and of approximate cost, that is to say the camps which have been built by contractors as compared with others built by the engineer services. I assure him that the matter has not been neglected.

One point that he mentioned was exceedingly technical. I did make inquiry about it. He wanted to know why we had the 2 x 10's planed on four sides. The answer is that it is done because they are spiked together to make the longitudinal floor beams for the sleeping huts and it is found necessary to plane them in order to make them fit closely together and give the best bearing.

Mr. HANSON (York-Sunbury): I am not objecting to planing the two sides, but why plane the edges? That costs money.

Mr. RALSTON: Well, that is the answer I give my hon. friend.

Mr. HANSON (York-Sunbury): I tried to argue it out with the engineer and he would not consider my argument.

Mr. RALSTON: The further reason is given that it is to ensure facilities for inspection as to soundness.

Mr. HANSON (York-Sunbury): It costs about $20 a thousand more—perhaps not $20 but a good deal more—to have 2 x 10's instead of 4 x 6's which would have the same carrying strength.

Mr. RALSTON: I am not in a position even to argue with my hon. friend, but in my ignorance I would have thought that a laminated beam of four 2 x 10's would be better than two 4 x 6's.

Mr. HANSON (York-Sunbury): Well, we shall have to agree to disagree.

Mr. RALSTON: Regarding equipment or armaments and ammunition: we still have to face the fact of a serious shortage in equipment and armament, and we shall probably have to face that fact for a good while yet in many instances. Everyone knows the overwhelming demand which has been made on industrial production. Everyone knows the necessity for United Kingdom industry to produce for the services over there. Everyone knows the colossal demands on United States production because of increased United Kingdom demand and of vastly expanded requirements of the United States itself.

Canada has had thrown on it a burden of production of war materials which is unprecedented, in both quantity and variety. This has necessitated not only augmenting existing industries but creating many new ones. The policy has been and must be—I commend this to my hon. friend again—that with the front line in England the needs of that front line have first consideration. We have gone short and we shall not hesitate to go short so long as the material we produce is needed overseas.

Mr. HANSON (York-Sunbury): Right.

Mr. RALSTON: My colleague the Minister of Munitions and Supply will tell the industrial side of our war effort. That department is the one to which the Department of National Defence looks for supplies, and I can assure the house that the most constant touch and the closest collaboration is maintained between our departments.

In the Department of National Defence we have a staff which I think is indefatigable in trying to forecast our needs and endeavouring to fit them in with the possibilities of Canadian production, and all that intensive work and effort and closest consultation can do to supply the defence forces of Canada with the things they need is, I am confident, being done.

There is only one reason in the world that I know of why statistics regarding the rate of production and delivery of various items should not be made public, and that is that we do not propose officially and deliberately to furnish the enemy with information which he might spend millions of dollars by espionage and subversive activity to obtain.

[Mr. R. B. Hanson.]

Regarding personal clothing and equipment: we have, as hon. members know, been endeavouring all along to catch up with the heavy burden which was suddenly placed upon industry to supply in a short time uniforms, boots, socks, shirts and personal necessities in enormous quantities. I am glad to say that we have practically overtaken these requirements and we believe that the situation is well in hand with plans made for a year ahead. That is being taken now as a matter of course, but I do not think the house realizes the strain on the administration of the Department of Munitions and Supply and on industry to achieve that accomplishment.

For the reason indicated I do not propose to make more than general statements respecting what we call unit equipment. My colleague the Minister of Munitions and Supply will no doubt say something about Canadian war-time activity in manufacture.

With regard to rifles the situation is the same as when I spoke to the house in July. We procured in the United States just a few thousand more rifles than we had furnished to the United Kingdom at the time of the emergency. These rifles have been distributed from time to time, and the position is now that the staff is satisfied that we are for the present able adequately to meet the situation for active service requirements and for training. Steps are being taken to meet future needs until production commences in Canada.

Regarding the manufacture of rifles in Canada; as I told the house in July, the department on its own made plans for the erection of a factory and for production here. The confidence regarding the preparation for and layout of this factory has been fully justified. The completion of the factory and the inauguration of production were handed over to the Department of Munitions and Supply. A company was formed under the direction of leading industrialists and my information is that the factory will be in production by the middle of 1941.

Mr. HANSON (York-Sunbury): Is the minister referring to rifles?

Mr. RALSTON: The rifle factory. My hon. friend asked why Ross rifles were given to trainees. The obvious answer is that we required the Enfield rifles for issue to the active service troops.

Mr. HANSON (York-Sunbury): You did not have anything else. That is the answer.

Mr. RALSTON: I am not making any apology for it. I say that we required the Enfield rifles for issue to active service troops. The others did not require these rifles for

preliminary training and the Ross had been reconditioned and could be used for the purpose. The rifles sent to Europe for United Kingdom use were Ross rifles.

Mr. HANSON (York-Sunbury): They have been reconditioned.

Mr. RALSTON: If that is going down on the record, I should like to hear what it is.

Mr. HANSON (York-Sunbury): I said that wooden guns would do just as well as what you gave the soldiers.

Mr. RALSTON: Apparently the leader of the opposition does not know as much about rifles as I thought he did. The production of ·303 small arms and ammunition will, I anticipate, reach the scale which I envisaged in July and careful calculations by the staff officers assure us that our needs will be adequately met.

Regarding Bren guns; I have given my hon. friend the number up to the end of September. I am not giving the number delivered each week, but it is a figure which I must say is most satisfactory having regard to what was planned on when production started at the plant. These weekly deliveries are increasing steadily and by the end of the first year of production we expect to have three times as many guns delivered as were called for by the contract.

My hon. friend spoke of the shortage of machine guns. He asked why there was a shortage. Obviously, the shortage of machine guns is purely relative. There are as a matter of fact several machine-gun battalions—Canadian active service force machine-gun battalions—and a number of non-permanent active militia battalions. The establishment has been changed and the number of machine gun battalions per division has been reduced to one instead of three—not by us but by the British establishment—indicating apparently that the requirement of machine-gun battalions is substantially less. I can assure my hon. friend that we have enough machine guns, and more than enough, to equip every machine-gun battalion which we have in the field, on the basis of present establishment, although not fully on the basis of the establishment which we originally had and which has now been reduced by the war office.

Let me say also, in connection with machine guns, that at the moment we do not propose to convert any machine-gun battalions we have into other battalions even though the place for them in the establishment is gone. We cannot tell what changes may develop, and we propose to keep them on as they are for the present. We have issued a certain number of machine guns for training in each of the machine-gun units.

Regarding field guns; the leader of the opposition spoke about this and referred particularly to two artillery units. Those which he spoke of are of course reserve—non-permanent active militia units. Naturally, with the large number of Canadian active service force troops we have, our first and primary duty is to distribute guns for their training and operations, and this we have done. It is obviously more useful for training to have guns at our artillery training centres, so that the men can have intensive training, rather than to scatter the guns among non-permanent active militia units. Even at that, already equipments are now ready for issue to about one-third of the non-permanent active militia units and will shortly be in their hands, and arrangements will be made so that the great majority even of those non-permanent active militia units will have guns for training.

Since I dictated this I have been informed that in a week's time distribution will commence.

I can say to the house regarding this matter of field guns that we have sufficient at least to equip a third and a fourth division. As I said in July, our supply was augmented by a further substantial complement, with necessary ammunition. All these are being high-speeded and are, in the opinion of the staff officers, quite sufficient for training and for the needs of Canadian defence until 25-pounders are available.

Production of 25-pounders was undertaken in this country for both British and Canadian account, and while the deliveries will not be as early as expected, my colleague, the Minister of Munitions and Supply, anticipates that a considerable number will be forthcoming in 1941.

In connection with signal equipment, I indicated in July that Canadian concerns were rapidly producing training equipment made up from standard commercial parts. These are being augmented by some thousands of sets from the United States, and two of the largest concerns in Canada are working in cooperation on the production of the latest British pattern of service equipment which we expect to receive early in the new year.

In this respect, my hon. friend asks why signal equipment is non-existent.

Mr. HANSON (York-Sunbury): I based that on Mr. Baldwin's statement.

Mr. RALSTON: The answer is that it is not non-existent. We had expected to get signal equipment from the United Kingdom. Because of the necessity for interchangeability we have to use the British pattern; but when it seemed that our supplies could

not be obtained from the United Kingdom, we had to get into production in Canada and we arranged with two of the largest Canadian firms to take on the manufacture of this British technical equipment, which consists of wireless sets of different patterns, comprising a most complex variety of supplies. At the same time, we arranged with Canadian firms to give us supplies for training by adapting commercial sets for purposes of the army.

There has been a great deal of interest in tanks. The design and manufacturing problems in this type of weapon are particularly complicated, but, as is known, work has been going on as fast as it could possibly be done at the Angus shops of the Canadian Pacific Railway in Montreal. We also anticipate that other plants will soon be employed on tank manufacture. This is an instance in which there has been particularly close collaboration between the Department of National Defence, the Department of Munitions and Supply and the British and United States technical authorities.

With regard to motor vehicles and tractors, production has been most gratifying, and we have more than once agreed to subordinate our requirements to those of the United Kingdom in order that there should be no lack in the front line.

In this connection I might refer to two or three matters mentioned by the leader of the opposition. He said he had heard that vehicles had been shipped in an incomplete condition, causing a good deal of expense. There was a shipment of vehicles the parts of which were to be assembled in England. In the case of one shipment of about 500 units—

Mr. HANSON (York-Sunbury): About a thousand.

Mr. RALSTON: In one shipment of about 500 units, it was found, when they came to assemble the units, that the fan belt for the pulley had been omitted by the shipper. A cable was sent and the missing part was sent two days later and immediately installed, so that there was no delay, nor was there any interference with training on that account. That is what my hon. friend is referring to when he speaks about a shipment having been sent in an incomplete condition.

Mr. HANSON (York-Sunbury): Does the minister say that was the only thing lacking?

Mr. RALSTON: I will come to the other matter, the batteries, in a moment.

Mr. HANSON (York-Sunbury): There were six different things lacking.

[Mr. Ralston.]

Mr. RALSTON: I have not heard of six different things.

Mr. HANSON (York-Sunbury): The minister could have found out about them.

Mr. RALSTON: I will give my hon. friend what I have here, first in regard to the brake test. Let me quote what my hon. friend said:

> Some hundreds of these cars which arrived in England could not stand a brake test, others were incomplete, and parts had to be secured hurriedly, in England, in Canada and in the United States. I am told that the cost aggregated $80,000.

The facts in connection with the brake test are that after the first few hundred vehicles left Canada, it was decided here, after a test, that the hand brake was not wholly satisfactory, that it was too difficult to get at. So they altered the design here. Some 615 of these vehicles had been sent overseas, and the new brake assembly was sent over for those vehicles. The cost of the materials for the change was $2,460; that is to say, the companies charged nothing whatever for making the change but charged only for the actual material that went into the new brakes, because they had already supplied material for one set of brakes. As I say, the cost was $2,460, and the estimated cost of labour to install the brakes over there would be $1,020. I think we can assume that probably the labour would be done by the ordnance corps over there and that therefore this was not an additional charge, but at the most the cost of the thing which I think my hon. friend had in mind as being $80,000 would be $3,480.

Mr. HANSON (York-Sunbury): Oh, no. What I meant by the $80,000 was that this amount was required to pay for replacements and parts that did not go over with the vehicles. It had nothing whatever to do with any brake tests or change in brake design.

Mr. RALSTON: All right. I will deal with the only other thing I can find, the matter of tools. I received a telegram from Price Montague that there were not enough tools over there, not because there was anything lacking in the tools which were sent over, because the full complement of tools was sent, but because it was found that they needed additional tools to work with in the shops. The telegram states, in part:

> The need for tools to service Canadian vehicles additional to those provided with the vehicles themselves originated at Canadian military headquarters in London. A meeting was called on May 7, attended by representatives from the Canadian active service force and Canadian military headquarters civilian technical staff, to decide nature and quantity of tools required in addition to standard British army issue. In implementation, orders were placed for such tools as could be obtained in

the United Kingdom and national defence headquarters was requested in our cable Q.M.G. 222 of July 2, 1940, to provide the balance. We consider ample provision has been arranged. The main supply (of extras required in addition to standard British army issue) is awaited, most of which is of American and Canadian manufacture.

That may have accounted for the $80,000; I will find that out. I want to point out, however, that this did not arise from any deficiency on our part; it arose from a meeting held at Canadian military headquarters. In setting up and servicing these cars they apparently decided that they required more tools than were supplied with the cars.

There is one other point with which I should deal, to make sure that I have exhausted everything in this line. I found one other matter; that was batteries, to which I thought my hon. friend's general words might refer. In one of the shipments—I think it was the first shipment—in order to make sure that the vehicles could be set up and used immediately upon their arrival, the batteries were shipped charged but drained; that is to say, they remained charged but were drained of liquid. It was found that these batteries deteriorated and were not in shape for immediate use when they reached England. The result was that batteries were purchased over there to be used until these batteries were reconditioned. There was no loss whatever; after being reconditioned the batteries were perfectly good again, and we had the additional batteries as well. As a matter of fact I think now batteries are shipped dry and uncharged. It takes somewhat longer to get them in shape over there, because they have to fill and charge them, but it ensures their arrival in good shape.

Mr. HANSON (York-Sunbury): It takes two days to do it.

Mr. RALSTON: My hon. friend knows more about it than I do.

Mr. HANSON (York-Sunbury): I should; I have paid often enough for having it done.

Mr. RALSTON: The manufacture of shells which occupied such a predominant position in the last war has taken a comparatively minor place in Canada in this one, but I can reiterate what I said in July, that in addition to the substantial supply of shells on hand, shells are being manufactured in a number of plants in Canada and our arsenal is now in production in a limited way, with prospects of rapid expansion. I should say in passing that in addition to handing over the rifle factory to the administration of the Department of Munitions and Supply, it was thought well to hand over to that department for the duration of the war the administration of the dominion arsenals at Valcartier and at Lindsay, in order that all the manufacturing facilities of the government in connection with munitions should be under one department.

I think the enumeration of the articles which I have mentioned which are being manufactured in Canada—and I have mentioned only a few of them—will confirm what I have said regarding not only the extent but the diversity of Canada's industrial activities for war purposes. Hand in hand with these activities have gone the activities of the research and experimental agencies in many fields and what I might call the planning activities of the service departments and of the Department of Munitions and Supply in working out requirements and priority, having regard to the possibilities of effective production.

To sum up, I think I can again assure the house as I did in July that the most vigorous and effective steps of which we are capable have been and are being taken both by this department and by the Department of Munitions and Supply to make Canada to the maximum extent possible self-supporting and self-sustaining in munitions of war, in addition to rapidly becoming a large exporter of armaments to the United Kingdom. And I can say again that we shall not rest until we have produced or procured every item which is procurable to complete our military requirements in order to carry out effectively the task we have set for ourselves in what now appears to be a war not of months but of years. It is of no use for us to try to delude ourselves that the work in hand is something which will be easily or speedily accomplished. It calls for all the energy, all the loyalty, and equally all the staying power that Canadians can command.

I cannot forbear just a word at this point with regard to a comment made by the leader of the opposition about Australia. With regard to that country, frankly I do not propose to attempt to appraise the Australian war effort as compared with our own. One could spend hours dealing with conditions in Australia, ascertaining the exact point reached in production, and in equipment, and the nature of the functions which their forces are performing. Conditions there are and have been radically different, and I think comparison would be simply misleading and unfair to both countries. I submit that what we have to make sure of is that we in Canada are doing everything humanly possible to forward our own war activities; and if there is any instance in which my hon. friend thinks Australia is outstripping us under comparable conditions, let him tell me about it, and

I will take the time necessary to find out all about it. In the meantime I propose to drive on with Canada's war effort as hard as I can, leaving Australia to do the same in her field of endeavour.

Before I close, Mr. Speaker, let me come back to the question of man-power and make one more reference. I should like to say a word regarding services which minister to the well-being of the troops, apart from their strictly military work. One is the dependents' allowance board, which furnishes an important service auxiliary to the Department of National Defence. It has had a steadily increasing task to perform. During recent months the average number of claims considered by the board has been over 4,200 every week, and there are now over 150,000 accounts in payment. The chairman and members of the board and their staff have worked unceasingly to keep up with the demands.

The other auxiliary service which I think is particularly important is the service which is being furnished through the Canadian Legion, the Y.M.C.A., the Knights of Columbus, and the Salvation Army.

These four organizations constitute what we call the auxiliary services, and they are officially recognized as the agencies by which activities for the welfare of the troops when off duty are carried on.

Their task is to give particular attention to the educational and recreational welfare of our soldiers. Officers of the auxiliary services, together with the necessary supervisors, have been appointed to all units in Great Britain.

In Canada special attention has been given to the areas included in the Atlantic and Pacific commands, without, however, neglecting other areas. Moving picture shows form a considerable part of the programme; there are seventy-five now operating and an additional thirty-nine are being arranged. Educational services, library facilities, sports, recreation and social activities, all come within the work being carried on.

The work is characteristically helpful and useful, and I want to express the thanks of the department and of the men of the forces for the fine contribution which those representing these organizations are making in the various camps and at the various military points throughout Canada.

I have taken time to mention this work not only because of its value, but because we ought to take an interest in it. I feel that this work is one which requires the wholehearted support, not only of these organizations, but of the citizens at large. This winter is going to be a testing time, not only for morale, but for character.

[Mr. Ralston.]

Training and equipment must always receive first consideration in a soldier's life, but parallel to these essentials the auxiliary services are carrying on a task that demands the very highest qualities of sympathetic and intelligent administration. In this period of training and waiting, many of our troops are undertaking the hardest job that can be asked of men who are at the stage in life which thrives on activity. They are receptive of all types of influence, and the responsibility that rests on their officers and leaders who are helping them to make the most of the activities of their leisure hours calls for the most searching thought and the most meticulous care.

Wherever there is an opportunity to assist in this work, I would ask for the most unselfish and generous aid from all our citizens. Every agency that can be brought to bear to provide wholesome activities during leisure hours should be regarded as part of a duty which this country owes and which the Department of National Defence, through the auxiliary services, has an obligation to carry out. The results, intangible though they may be, will amply repay the effort.

In the same connection I should like to say a word regarding chaplain services. Additional appointments have been made to the staff of chaplains in the active army and provision has been made for adequate chaplain service at the various reserve training centres. The churches everywhere in Canada have expressed readiness to support and assist the work being done. The chaplains who have been appointed have devoted their energies unsparingly to care for the spiritual welfare of the men in the services.

I should like to close with a very brief reference to what may be ahead of us in the critical days which are to come.

When I last spoke to the house, the so-called "battle of Britain" was in its opening stages. That battle has been decided for this year; the enemy has abandoned the hope of invasion, if he seriously entertained it, and the winter in that particular theatre of operations will be spent in a sort of siege warfare—harassing attacks from the air and the sea which, however much suffering they may cause to the civilian population, can lead to no decision. The danger of invasion is thought to be at an end for the year, but the threat may be renewed in the spring. By that time, however, the army in the United Kingdom will be even better prepared to meet it, and the enemy's chances of success very much less. All eyes are now turned toward the Mediterranean and there we may expect further developments in land operations.

The attempt of the axis powers will be to dominate the eastern Mediterranean, to drive the British from Egypt and Palestine and so finally to obtain the oil supplies of Iraq. Other theatres may open up in northern Africa.

On the whole we may expect that the operations of the empire land forces during the year of 1941 will continue to be largely defensive, while the pressure of the navy and the air force against the economic life of our enemies is being maintained and increased. During this phase we must continue to build up our strength against the day when we shall take the offensive with all arms and services.

We are working to a programme which is as definite as can be made in the lights and shadows of almost unforeseeable eventualities. That programme is based on a joint appreciation of the three services—army, navy and air. In connection with that programme, let me emphasize again that our plans and preparations are and must be made in conjunction with those of our predominating partner, the United Kingdom, and of the other dominions. Since the front line is on the English channel, it is vital that we maintain the closest contact with that crucial sphere of operations. There must be not only unity of purpose but unity of planning and execution. Our strength multiplies by integration. It is team-work which wins. For this reason, I expect before long to visit the United Kingdom, accompanied by some of the headquarters staff, to consult on many matters of common interest. I want to make sure that our own programme will be developed in closest relation to the needs, and I am sure we all desire that plans and preparations will be such that we will be contributing not only all our strength, but our most effective strength, to help defeat and destroy this menace to freedom and to life itself which hangs over the world. It will be a task of years. May we have the courage, the perseverance and the unshakeable resolution to see it through.

Mr. A. J. BROOKS (Royal): Mr. Speaker, it is a difficult matter to speak in this chamber, even under ordinary circumstances; but I find it somewhat more difficult this afternoon following, as I do, the long and interesting statement which has been made by the Minister of National Defence (Mr. Ralston).

In the short time at my disposal I shall not undertake to analyse the observations of the minister. He has given the house much information, and I am sure a great deal of it will be of interest not only to hon. members, but to the country in general. Listening to the minister this afternoon, we must realize that in order to get the whole picture of Canada's activities in the war we must have reports, not only from one minister, but from all of them.

As was stated by the minister, the activities of the Department of National Defence depend upon the amount of work done by the Department of Munitions and Supply. He has pointed out that the work of one department, and his in particular, cannot move any faster than the progress of the Department of Munitions and Supply will permit.

It would appear that I am the first member who would be affected by the ruling which was made by Mr. Speaker this afternoon, at the opening of the sitting, to the effect that speeches are not to be read. I wish the ruling had been made at the beginning of the session and, indeed, I suggest it should have been made at that time. Personally, I am in full accord with it, and in the short time at my disposal I shall endeavour as nearly as possible to abide by it.

It is customary for hon. members speaking in the debate on the address in reply to compliment the mover and the seconder. Unfortunately I was not in the house when those hon. members delivered their speeches. I have, however, read them; I have listened to the observations of hon. members who followed them in the debate, and I have read newspaper comments, all of which satisfy me that the congratulations which have been heaped upon those hon. members have been merited.

I agree fully with the observations of my hon. leader who stated, in effect, that the hon. member for St. Lawrence-St. George (Mr. Claxton) rather went out of his way to characterize those who advocate more and more assistance to Great Britain as being more English than the English. We of this party have always contended that the fullest possible support should be given to England, not only for the protection of Britain but because our own salvation depends upon England to-day as it has depended upon England in the past.

Before the war some hon. members rather scoffed at this idea; it has been interesting to see the change of heart on their part. I have heard some hon. members advocate strict neutrality; others, nationalism, and others have said that our defence depended upon the United States. We have heard all sorts of half-baked ideas advocated in this house during the last four or five years, but it would be a brave or bold member who would rise in his place to-day and give expression to the same ideas.

I listened with much pleasure to the latter part of the address of the Minister of Agriculture (Mr. Gardiner) delivered yesterday. After hearing that part of his speech I am ready to forgive him to some extent for many of the shortcomings of some of his previous speeches. I am sure there is none of us who does not share the feelings expressed by him. I was interested to hear his account of what has been going on in England during the last few months. We are all proud to know that while England is taking this terrific beating, her head is still high. The thought occurs to me, and I am sure it must have occurred to a great many other people, that if it had not been for a few thousand light-hearted and brave British boys in the British air force during the last few months, there might be a different story written for civilization and this empire of ours.

Yesterday I read in the press an article which brings to my mind another matter of which I shall speak in a moment. We all heard the eulogies of Mr. Chamberlain, and we all know how deserving they were. The article in yesterday's paper stated that the ashes of the late Prime Minister of Great Britain had been placed on the south side of Westminster Abbey beside the plain grey stone marking the burial place of Andrew Bonar Law, the Canadian-born Prime Minister of two decades ago. I would point out that from 1914 to 1918, when this empire was passing through one of the most serious times in its history, as it is to-day, it was a Canadian, born in New Brunswick, who stood next to Mr. Lloyd George in his efforts to protect and save the empire. I would point out also that to-day the man of whom we hear the most next to Mr. Churchill, the man who is doing the most to preserve this empire of ours, is another Canadian born in New Brunswick. We all recognize the wonderful work that Lord Beaverbrook is doing for this empire of ours, and I am sure that we of the little province by the sea will be excused for the great pride we feel in this connection.

We are all greatly interested, not only in the raising of troops but in the providing of munitions and supplies. We feel that New Brunswick has not been receiving the same attention in this regard as have other parts of Canada. Week after week we receive reports from the director of public information giving the amount of money being spent in Canada on munitions and supplies. It is seldom that any mention is made of munitions or supplies being provided by New Brunswick. I submit that this is something which should be corrected. That province is particularly well situated for the manufacture of munitions to be sent overseas. We are on the Atlantic seaboard, and instead of munitions and supplies being manufactured in central and western Canada, they could very well be made in New Brunswick, and thus save the expense of a long rail haul.

It is true, as will probably be pointed out, that considerable work has been done upon the airfields of the maritime provinces. But this is for the protection of all of Canada. The government could hardly help avoid spending money upon these airfields. The minister mentioned that considerable money had been spent in my home town of Sussex; I think $1,800,000 was the amount he mentioned as having been expended upon the construction of huts. There have also been considerable expenditures at Debert, Nova Scotia. This is work which has to be done for general protection, and my request now is that more munitions should be manufactured in New Brunswick, thus giving more employment to our people.

I was glad to hear the Minister of Agriculture state that he had arranged a trade agreement with the United Kingdom whereby the farmers of Canada would be able to sell more of their farm products. But this agreement will be of little benefit to the farmers of the province from which I come. Our farmers are principally potato producers and dairymen. The United States trade agreement had an adverse effect upon the potato producers of New Brunswick, and to-day it is almost impossible for a man engaged in this type of agriculture to make a decent living for himself and his family. It is interesting to note that in western Canada the price set on wheat is a minimum one, but the price of dairy products has been pegged; the price set is a maximum one. There is a vast difference between setting a maximum price for one product and setting a minimum price for another.

Then, in connection with bacon, while the farmers of the maritime provinces are not large producers of this product, there is only one reason why they are not. They cannot get feed from western Canada at a reasonable cost because of the high freight rates. Everything seems to work against the prosperity of the people of my province and the other provinces by the sea. It is not because we are not deserving. Is it necessary for me to point out to this house that from 1914 to 1918 there was no more patriotic section in this whole Dominion of Canada than New Brunswick and the maritime provinces generally? The same is true to-day. If you look at enlistments in the overseas forces, you will find that the men of New

Brunswick are enlisting in numbers comparable with those of any other part of this dominion, and I repeat that we are not receiving the attention which we deserve and to which we are entitled. It has been intimated that perhaps we do not press sufficiently for these things, so now I address myself to the members from New Brunswick who sit on the government side of the house. I have sat here for five years and I am of opinion that the Liberal members sitting in this House of Commons have not pressed the government hard enough on New Brunswick's behalf. I want to assure them that if they will make a concerted effort to impress our claims upon the government in season and out of season, both inside the house and outside they will have the whole-hearted support of every Conservative member from that province.

It has been rumoured, Mr. Speaker, that my good friend the Minister of Fisheries (Mr. Michaud) is about to retire from parliament in order to accept an appointment to the bench of our province. It is not merely rumoured but I have seen it stated in the press. I congratulate the minister if such is the fact and I might add that in congratulating him I am doing a great deal more than I think some of his Liberal friends are doing in New Brunswick. If the minister leaves this chamber and the cabinet, it will be necessary for the Prime Minister (Mr. Mackenzie King), to appoint someone in his stead. I recall that the Prime Minister during the last election, and in speeches in this house since the election, said that he would select the best men he could get in this country for his cabinet. That should be the case. In times like these, the best men in the country are none too good. There are those who sit behind the Prime Minister who have questioned certain recent appointments which he has made, and I would ask the Prime Minister, when he selects a minister from New Brunswick, to select the best man he can possibly get from that province. Of course I know he has precluded himself from selecting anyone who is not of his own party. But we want strong representation in the cabinet from our province. This country needs strong representation, and if the best man is not in the house I ask the Prime Minister to go to the province and select there the very best man that can be obtained.

I wish to say a few words with reference to the training centres. First, let me say that I have had charge of a training centre for the past thirty days. At the beginning of the war, having been in the militia and on the reserve for some years, I volunteered my services either for overseas duty or at home, and just before the close of last session the district officer commanding the district from which I come telegraphed and telephoned me requesting that I take charge of a training centre in New Brunswick. I was glad to do so, and I suppose that as far as practical knowledge is concerned, I have as much knowledge of training centres as any man in this House of Commons.

A training centre was established at Fredericton. I had expected that there would be one training centre for the whole province but two were established. I have no great criticism to make of two training centres being established, one at Fredericton and one at Edmundston. If I had any criticism to make it would be that at a time when we are talking of unity in this country and trying to bring our people together, a splendid opportunity was lost in New Brunswick, where we have many English-speaking and many French-speaking young men, in not establishing only one training centre for the province where French and English-speaking boys could have come together and learned more about each others' opinions. This, however, was not done, and an English centre was established at Fredericton and the French one at Edmundston.

I was impressed by what the minister said as to the duty of our citizens to help entertain our soldiers in all parts of this dominion. I should like to pay tribute to the good people of Fredericton for doing everything they possibly could to help entertain the soldiers. The citizens gave us their bands for church parades; they opened their homes to the soldiers and provided them with entertainment.

I am speaking of training centres to-day from the point of view of the men who trained in them. There has been criticism levelled that the men who attended these training centres were an undisciplined mob. That term might have been applied to the men when they landed in camp the first day, coming from all over the province with their suitcases and civilian clothes, and some of them perhaps not knowing exactly why they were coming, but they could not possibly have been characterized as an undisciplined mob when they left camp thirty days later because they marched out with their chins up, just as fine a body of men as one could find anywhere.

There has been talk about these men being pampered. I think the government propaganda had something to do with that report giving the wrong impression across this country. I say emphatically that these men were not pampered nor did they wish to be pampered. If getting up at six o'clock in the morning, making your own bed, shaving and

getting ready for breakfast at seven, and then after breakfast going out at eight o'clock and taking physical training and spending the whole day at drill—if that is being pampered, then these men were pampered. In addition, they had their fatigues to do. They made up their beds, rolled their blankets, cleaned out their huts, helped to wash the dishes and to scrub the floors; in fact, did all the work that men in barracks should do. I doubt whether any Canadian active service force unit in Canada during the first thirty days of their training, and perhaps much longer, made more progress or worked harder than did the men who were in these particular training centres.

I noticed in the Montreal *Star* a report that some men had come back from the training centres in certain parts of the province of Quebec and complained about the food. The ration in the training centres is the same as that given to the soldiers in every other camp in Canada. It is good, wholesome food, and I heard very little complaint. The fact is that unless a soldier is complaining he does not consider himself a soldier. Most of our wives will tell us that if we do not complain about the food at home they think there is something wrong with us, and if a body of men do not do a little complaining we would probably think there was something wrong with them.

But to give some idea of what benefit training is to the men and how they improve under the strict routine of military life, I had my medical officer, Captain Petrie, weigh and record the weights of men at different periods. The total weight gained from October 10 to November 6, roughly one training period, by 114 recruits examined for weight, was 648·5 pounds. Only one recruit, who had been sick for many days during the training period, lost one pound. The average gain per recruit for the training period was 5·68 pounds; which shows, as I say, that the military life and training are beneficial to the men.

I also have a summary from the medical officer regarding sick parades. The daily percentage of trainees on sick parade was 2·95 per cent. For the training staff it was ·63 per cent, or a total, for all, of 2·44 per cent. The total number of training days for the period for the unit was 25,800. The total hospital days for the unit numbered 239, and the percentage of training time lost on account of hospitalization was ·93 per cent. The medical officer also says that there was only one case of V.D., that is among the staff the first week. There were no cases among the trainees. There were only four cases of drunkenness during the whole time.

[Mr. Brooks.]

I mention these things in order to emphasize the type of young men that we have in these training camps. They are the finest young men that we have in Canada; they represent the very flower of the manhood of this country.

The health of the men in camp might be compared with the health of men who did not get to camp. The great number of men who were turned down in my province and all over Canada for different defects was surprising to me. In the last war we know that tens of thousands of our young men were found not fit for service on account of certain ailments. One might think that from 1918 to 1940 there would have been some improvement in the health of our people, but I am satisfied, from the statistics obtained during this examination, that the state of health of the young men of Canada is just as deplorable now as it was then. Although the men were medically examined by their home doctors before they came to camp, after they arrived at camp, as the Prime Minister pointed out the other day, fifteen per cent of them had to be rejected for medical unfitness. I would call it criminal negligence on the part of the authorities that we have not done more for the health of the greatest asset this country has, its young men. Mark you, these men were not all A-1; they were down to category C. If they had been examined for overseas service, the casualty list, so to speak, would have been much greater.

The minister this afternoon stated that the thirty-day period was not satisfactory. The period is not long enough; no man who knows anything about soldiering would say you can make a soldier in thirty days. One of the hardest things I had to do after training these men for thirty days and feeling that we could do something with them by further advanced training was to send them home feeling that perhaps we should never see them again in uniform and that the benefit of their training was lost. The men like the training, and I am pleased to hear the Minister of National Defence say that they have a plan on foot whereby men coming in for similar training will have the period extended.

As far as equipment is concerned, it was my personal opinion that probably the thirty-day limit had been set on account of lack of equipment, because there is no question that advanced training would have required more extensive equipment. In advanced training these men would need to know something about the Bren gun, and there are no Bren guns for training of this kind; there are not enough for the active service force units. They would need anti-tank guns and

more gas masks and mechanical equipment and rifles, and these are not available. We trust that these matters are being attended to by the Minister of Munitions and Supply (Mr. Howe); the question we would ask is, "Why was not more done at an earlier date to provide this equipment?"

Although the government has told our young men that they cannot be sent out of Canada for defence, that they can be used only for defence in this country, on their own initiative they are willing and anxious to serve outside Canada because they realize that that is where they should serve in order to defend this dominion. Answering a questionnaire, out of 660 men in my training centre those willing to serve in the Royal Canadian Navy numbered ninety-two, those willing to serve in the Royal Canadian Air Force numbered 266, those willing to serve in the active service force numbered 175, and those unwilling to serve anywhere numbered 127. Of the above, about 125 would like to get into the service right away; the others, as soon as they are required. This was prepared by my adjutant. He says:

> Apparently none of this class was engaged in any industry purely for war. A number worked in plants where government contracts have been let.

That, of course, is characteristic of New Brunswick, as I stated at the beginning of my speech, because we have very few plants producing munitions in that province.

I was interested to hear the Minister of National Defence say this afternoon that our place is side by side with England wherever the fighting is. There is no fighting here in Canada, and therefore it should be impressed upon our young men that their duty lies wherever the fighting may be. I have tried to impress this upon the young men with whom I come in contact because I think it is a patriotic duty which we all should discharge.

I was pleased to hear the Prime Minister say that the policy of his government and the country is to push our war effort to the limit of our capacity. That is a big statement. We have a wonderful capacity in Canada; I do not suppose that there is any other country in the world with a greater. We had a wonderful capacity in the years from 1914 to 1918, and despite everything that may be said about our war effort at that time, I do not think any Canadian need feel ashamed of the part which Canada played from 1914 to 1918. But we are told that we were not a united people in the days from 1914 to 1918; we are told that we did not have the whole-hearted support of every section of the dominion. To-day, on the contrary, we are told that we have this whole-hearted support of our war effort from one end of Canada to the other. Well, if our effort, which did not have the whole-hearted support of every section of the country, as the government would like to make us believe, produced 500,000 volunteers in the period from 1914 to 1918, what must we say of the capacity of Canada to-day to produce an army under conditions such as we have been told now prevail? We are willing to wait and see if what has been told us is true. There are many who have grave doubts.

It is nearly six o'clock, Mr. Speaker, and I do not wish to detain the house.

Mr. MACKENZIE KING: I am going to move the adjournment of the house at six o'clock, so that my hon. friend may take all the time he needs.

Mr. BROOKS: I thank the Prime Minister. May I say this in closing. We are justly proud to be side by side with Britain in the present defence of civilization and democracy; but listening to the speeches that have been delivered in this house during the last three or four days, I have not heard any mention of a gallant little nation which is also standing side by side with Britain and is to-day fighting for her very existence. I refer to Greece. Greece to-day is the British empire's only ally. She is fighting as fought the Greeks of old, thousands of years ago, at Salamis and Thermopylae. I remember reading as a boy these lines from Byron:

> So fought the Greek of old,
> So will he fight again:
> Will not the self-same mold
> Bring forth the self-same men?

These self-same men we are proud to have as our ally to-day—men who are fighting to save as brave a country as any on earth.

We have been told that this will be a long war. It is hard for us to contemplate the prospect, all the harder when we read, as we do in to-night's newspapers, of such things as the fate that has befallen the historic city of Coventry in England, which has been practically ruined. Mr. Churchill, Britain's Prime Minister, assures us that we will fight on, unconquerable, until the curse of Hitler is lifted from the brows of men. It will no doubt take a long time; but when that curse is lifted, when the flag of freedom and of civilization floats once more proudly over the world, then the proudest boast we in Canada shall be able to make will be that we bore our full share in the defence of civilization, of home, of king and country.

On motion of Mr. Adamson the debate was adjourned.

On motion of Mr. Mackenzie King the house adjourned at six o'clock.

Monday, November 18, 1940.

The house met at three o'clock.

ALBERTA PROVINCIAL BANK

PROPOSED REFERENCE TO STANDING ORDERS COMMITTEE OF QUESTION OF PROCEDURE

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I ask leave of the house to introduce the following motion:

That the standing committee on standing orders be instructed to inquire and report on the advisability of accepting as sufficient for this session the proceedings taken last session in respect of the presentation of a petition, the filing of a bill, and the publication of notice relative to the proposed incorporation of the Alberta Provincial bank.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, as perhaps my hon. friend is aware, the committees have not yet been set up. The committee therefore to which his motion refers does not now exist. As soon as the present debate is concluded the committees will be set up. May I say to my hon. friend that I believe there should at that time be no difficulty in meeting his request. I believe however that the matter should stand until that time.

Motion stands.

BUSINESS OF THE HOUSE

REQUEST FOR OPPORTUNITY TO DEAL WITH QUESTIONS AND MOTIONS FOR PAPERS RELATING TO WAR EFFORT

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I should like to address a question to the Prime Minister. Having regard to the fact that many of the questions and motions for returns now on the order paper relate to Canada's war effort, will the Prime Minister seek the consent of the house for a temporary suspension of the present debate, in order that questions may be answered and returns made?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend was kind enough to notify me of his question. I have had just a moment to consider it. If the house is in agreement I cannot see why there would be any objection to our proceeding to the order for questions on, let us say, Wednesday, to have such questions answered and such returns brought down as may be ready. Hon. members would thereby have in their possession at an earlier stage than would otherwise be possible much of the information they may wish to secure. If the house is agreeable to receiving answers to questions on Wednesday next, I believe the government will be prepared to give answers at that time.

LABOUR DISPUTE

EMPLOYMENT OF PERSONS CLASSIFIED AS ALIENS IN GLACE BAY MINING OPERATIONS

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I have a question I should like to direct to the Minister of Labour (Mr. McLarty). Has the Department of Labour been notified that the situation at No. 1-B colliery in the Glace Bay area, affecting 122 employees, classified as aliens by the native-born miners, has taken on serious proportions, the native miners refusing to accept the union executive board's decision to agree to the reemployment of foreign miners in that colliery, and threatening to use force to restrain so-called aliens from entering the mine? Is the Department of Labour contemplating any action to avoid what might become a serious situation?

Hon. N. A. McLARTY (Minister of Labour): Mr. Speaker, the matter has been brought to my attention but, I must say, not as completely or fully as has been done by the hon. member for Cape Breton South (Mr. Gillis). It is one that is receiving the active attention of the department at the present time.

COMMONWEALTH AIR TRAINING

QUESTION OF HEATING AND OTHER FACILITIES AT DAFOE BOMBING AND GUNNERY SCHOOL

On the orders of the day:

Mr. A. M. NICHOLSON (Mackenzie): Mr. Speaker, I should like to direct a question to the Minister of National Defence for Air (Mr. Power). In the Regina *Leader* of November 15 there is a dispatch from Saskatoon referring to the inadequate heating facilities and the lack of medical services for the

guards at the Dafoe bombing and gunnery school. A dispatch from Ottawa, appearing in the same paper, states that the Minister of National Defence for Air had ordered an investigation. Has the minister any information to give the house as to the results of such investigation?

Hon. C. G. POWER (Minister of National Defence for Air): Mr. Speaker, I wish to thank my hon. friend for his courtesy in giving me notice of this question and in not pressing for an answer last Friday when the news item first appeared in the paper. As a matter of fact there has been some difficulty in providing heating and water at the bombing and gunnery school at Dafoe, Saskatchewan. This school is not to be opened for several months to come, but in view of the fact that construction has been going on for some weeks and substantial progress made it was thought advisable to place a guard, composed of eighteen men and a non-commissioned officer, as a measure of security against fire and sabotage.

I have two reports from the officers of the department. The first, which is dated November 16, states:

The chief works officer at Winnipeg reports that he gave definite instructions to the senior assistant engineer in charge of the construction of the buildings that he was to secure locally a supply of sufficient stoves for the airmen's building to be used for housing of guard. This was done and the senior assistant engineer in charge reports that this building is comfortably heated and there should be no complaint whatsoever from any of the airmen presently housed in this building, and there is no lack of heating in any way.

The question of water is rather difficult in that water has to be hauled for their use and the guard for washing, cooking and drinking. This, however, does not entail any hardship on any of the men at present stationed there.

The report then goes on to say that the contractors who are building this station have several hundred men on the ground who are provided with water and heat. It would not be very difficult for eighteen men to join these civilians should an emergency occur, such as the blizzard which struck the prairies last week.

I have also a report from the inspector general of the air force, Air Vice-Marshal Croil, who states:

Inspected Dafoe to-day and investigated alleged complaints security guard. Men of guard upset by report and are not complaining. Their accommodation is temporary and during the blizzard of last week was not warm but temperature did not go to freezing. Hiring of car for emergency transport was normal and claim for reimbursement has been made in usual way. No transport is provided to small detachments of this kind as usual thing. Water is very hard and unsuitable for washing but adequate supply of drinking water provided by contractor. Messing arrangements with contractors' men said to be satisfactory. Doctor available in half an hour for emergency.

This is all the information I am able to give my hon. friend.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, November 15, consideration of the motion of Mr. Brooke Claxton for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Hanson (York-Sunbury) and the amendment to the amendment of Mr. Blackmore.

Mr. A. R. ADAMSON (York West): Mr. Speaker, it occurs to me that we should give some reason for the calling of this session of parliament at this time. The government has no legislation to offer; therefore I suggest that the reason for calling this session is twofold. First, we have been called together so that the government can give to the house and the country a report on how it has been carrying on Canada's war effort. Second, we have been called together so that the people, through their opposition, may make criticism and offer suggestions where they feel that they are warranted. I believe that the calling of this session can be of inestimable value to Canada, provided, first, that heated discussions of party politics should be absent from debate and, second, that criticism offered by the opposition should be received by the government without rancour and hate.

It might be well to state briefly what has happened since we met here last June. I do not think the military position in Europe has been stated clearly enough. I believe it is still unwise to discount entirely the possibility of a German invasion of England. Each day for the last few months this possibility has been growing less, but we must not overlook the fact that it is still a possibility. Despite the heavy casualties which have been inflicted we should remember that the German army is still intact, is well equipped and continues to constitute a matchless striking force. It is also dangerous folly to think that German morale has deteriorated seriously. There may

be a growing apathy among the people of Germany, but it is doubtful whether that has reached the fighting forces of the third reich. It is probable that friction is growing in the occupied territories, but we all know the ruthlessness of the conqueror. We should not think that outbreaks which occur here and there are a foretaste of revolution in Germany. We know how capable the Germans are of suppressing insurrection particularly by semi-armed or unarmed people.

The position of Russia and Japan must be considered by any government of Canada. The Prime Minister (Mr. Mackenzie King) has advised against the making of inflammatory statements in this house, but I hope he speaks from a realistic point of view rather than with any idea of appeasement. We should not forget that the last British note to Moscow has remained unanswered for several weeks. We should remember that in Japan the extreme national party is in command of the army and the Diet. We must be prepared for hostilities in Asia, and we cannot count upon the United States considering herself obligated to send an armed force to take part in these hostilities. We may have to go this thing alone and face the forces of dictatorship and hatred which are present throughout the world.

We must take advantage of what has been learned from the invasion attempt and the aerial warfare which has occurred in England. For an invasion to be successfully carried out by one first-class power on another over water three things are necessary: first, you must have command of the sea; second, you must have command of the air; and third, you must have an overwhelming superiority in the machines on land warfare.

In the present condition of the battle of Britain we find that Britain has command of the seas. This vital asset has unquestionably saved civilization all over the world in this dark hour. It must be realized, however, that the strait of Dover is merely twenty miles across, and the use of vast quantities of smoke ingeniously employed has imposed most serious restrictions on our naval forces.

In the air, parity is rapidly being approached, although we are as yet unable to bring the battle to the enemy with the same intensity as he to us. It is doubtful whether we can be safe in assuming that we have very materially decreased his production of aircraft. A twenty per cent reduction would I believe be optimistic. Owing to our tragic losses of material in the battle of France and Flanders it must be assumed that the enemy has a vast superiority in all branches and types of the machines and instruments of land warfare.

[Mr. Adamson.]

The Prime Minister pointed out in his excellent address that Hitler now controls 42 million tons of steel while we in the British empire control a mere 18 million tons.

The enemy has not been able to effect a landing in England, with all his advantage in land materials, and a partial advantage in air materials, but without the advantage of naval superiority.

It follows I think from the foregoing that before we can carry the battle to the enemy and invade him we must have a triple superiority—by sea, by land and by air. At present we are deficient in the last two components.

Up to the present the aspect of the war in western Europe only has been considered. If we are to accept the dictum of Clausewitz and attack the enemy's weakest point we must consider the Mediterranean theatre of war. Here we have an enemy whose morale may already be said to have reached the first stage of degeneration, namely, the apathy of the civilian population to the success of their armed forces. But before an expeditionary force can be placed in the Mediterranean theatre of war it must be able to operate away from its bases for considerable periods of time. It must have an abundance of the materials and weapons of war. I think we are safe in saying that we can take greater liberties in our warfare against the Italians than we can take with their doughty northern axis partner. But before we can send troops from Canada to the Mediterranean theatre we must see to it not only that they are thoroughly equipped with all the necessary arms but that they have as well a very great reserve.

In view of the foregoing I think we must look carefully at Canada's present position. It appears to me that the importance of the machines of war has not yet been fully appreciated by the government. The old tank slogan, "be lavish with steel and stingy with blood," might in this war be turned to read, "be lavish with steel or perish without." At the present time in Canada we are unable to equip with all its component parts even one infantry rifle battalion, and at the present rate of Canadian production it will be several months before we can. What progress we are making in the production of artillery ordnance, anti-aircraft guns, tanks, fighting and bombing aircraft, as well as all the thousands of other pieces of equipment so necessary to an armed force, remains a secret. The vital question we have to answer is when these weapons are going to be put into the hands of our armed forces so that they may become proficient in their use in order to attack and destroy the enemy. Winston Churchill has stated in a speech, the candidness

of which has not depressed but rather aroused the British people, that Britain was unable to supply arms and munitions for troops from overseas as her entire productive capacity was now being utilized for the troops in Britain.

Will the government state specifically the number, the calibre, the quantities and dates when we may expect delivery of these things? Perhaps the Prime Minister has forgotten that we too are British and can take it.

In this connection I should like to point out one of the difficulties and one of the cautions that have to be observed in giving information. A balance must be kept between the danger of giving information to the enemy on the one hand, and the evil of having an uninformed Canadian people on the other. This problem must be solved. It is here I suggest that a military committee of the house would be of great value. They could meet with the general staff and receive explanations of what is being accomplished, production figures, schedules, etcetera. If such a committee were formed it could report to the house on matters which were not secret. On secret matters it could say that the information it had received was secret but satisfactory and that progress was being made. This would save the minister a great deal of work and criticism and no doubt relieve the general staff of a number of headaches. It would be a non-partisan committee and therefore would be most likely to inspire confidence in the country.

I think the house would be interested in knowing the sort of information the Germans would like to get. Let us take a hypothetical case. We are building tanks in Canada with, shall we say, ten centimetre armour. The Germans have in production two anti-tank guns, one of which pierces five centimetre armour and another which will pierce ten centimetre armour. If we gave to this house the information that we were producing tanks with ten centimetre armour the Germans would immediately say, "This gun of ours is of no further use. We will concentrate on the production of a gun which will pierce the tanks the Canadians are making." That is the sort of information it would be dangerous to give. That is the sort of information which, as the minister said, the Germans are spending millions of dollars trying to obtain. I submit that that sort of information should not be given except in the very greatest secrecy.

But here is the sort of information which I think we should have. I know the production of Bren guns and it is excellent. I think the minister should state what the production of Bren guns is, for the good effect it would have on the morale of the people of Canada. It is one of the essential things we should have—that and other information of production which cannot give aid and comfort to the enemy. Too much secrecy, Mr. Speaker, is bad for the morale of the people. If we had this information I feel sure that the next time we went to the country with a war loan the people would rally round much better than they did the last time, and the loan would be oversubscribed in a much shorter time. I leave that suggestion with the government for what it may be worth.

I come now to the question of the carrying out and the carrying on of the war, particularly against the southern member of the axis. In all seriousness I suggest to this house that we, the second greatest enemy of Germany and the greatest Catholic country at war with Germany, should inform the Prime Minister of England that we are prepared to see our air force bomb Rome. I say this as a Christian, as one who has been in Rome; I do not know how many other members of the house have been there. I have seen the service in St. Peter's; I have received the blessing of His Holiness the Vicar of Christ. I have seen the catacombs, where St. Peter and St. Paul carved their names on the sides of the caves that were used as churches, and I have stood in the coliseum where for over four hundred years the Christians were martyred. Nowhere is the long, bitter, violent fight for a Christian civilization better exemplified than in the coliseum at Rome, where to-day stands a simple wooden cross denoting the triumph of Christianity over the forces of barbarism. The symbol of pagan Rome was the fasces. The symbol of Mussolini's Rome is the same fasces. To-day in that city the monument to Victor Emmanuel, with the rampant horses and the pagan symbol of the chariot atop, makes a wonderful target. The Piazza Venezia is right next door, and these are all far removed from the holy city, the Vatican. These make excellent targets. If you can once drive a dictator out of his capital you make it impossible for him to exist. If we can destroy the confidence of the people of Italy in their pagan leader we will have done a great service and struck a great blow for Christianity.

Since the government has asked for suggestions, and since it should be the policy of the opposition to offer constructive criticism, I should like now to make some concrete suggestions to the government.

First, the place to defend Canada is in Europe. To wait and delay until the war is brought to Canada, until our own country becomes the battlefield and our own women and children are bombed, would be criminal

folly. We must defend ourselves on the battlefield three thousand miles away, not in Canada. Therefore I suggest that we must be prepared to equip and send overseas a large, well-prepared striking force.

Second, at the present time we cannot equip the forces we now have under arms, nor can we obtain equipment for them elsewhere. So that the production of arms becomes of more immediate importance than man-power. This is our most pressing problem. The Canadian people must be informed accurately and precisely, not merely by way of a recapitulation of the contracts let, as to the true state of our war effort.

Third, the training of military personnel must be so arranged as not to conflict with industry. A comprehensive plan must be prepared by all industries engaged in our war effort, indicating the present and future demands in regard to man-power. To-day we have approximately 50,000 employable unemployed in this country. It is estimated that by July of next year industry will require a further 500,000 technically trained men. These men are as vital to the defence of Canada at the present time as are the soldiers who enlist in our army. Therefore I suggest that the Minister of National War Services (Mr. Gardiner) should go to the registration list and call out for training in our munitions industries all available people between the ages of eighteen and fifty, in order to make up this apparent deficiency.

Let me cite just one instance. The John Inglis company of Toronto now employs 2,500 people. By July it hopes to employ about 6,000 people, but it does not know where to get those additional men. This company is engaged in highly technical, highly skilled work. Men must be trained for this work before they can be employed, and now is the time to train them. Now is the time to call them out from their ordinary civilian occupations and train them for employment in our war industries. This is a total war. Each of us in Canada has a job to do. If we are employed in civilian occupations and the government needs us for war work, whether as a soldier or in making machine guns, we must be prepared to go and do the country's bidding. Therefore I suggest an immediate recapitulation of the national registration scheme, calling out all those who may become useful in our war industries.

I should like to advance three further suggestions of a military nature, because I consider it my duty to do so after having observed existing conditions. First I should like to discuss the much discussed issue of free transportation for soldiers.

[Mr. Adamson.]

Manifestly it is impossible for any government to be expected to provide free transportation every six months from Newfoundland or the West Indies. These troops are on active service. In the last war we did not get leave to Canada except under very exceptional circumstances. I understand the present policy is to rotate the units in the various outposts so that all may get leave whenever the military situation permits. Where you have large concentrations of troops in central Canada, as at Borden or Niagara, a serious problem, however, does present itself. I believe the men get two week-end passes a month from Borden. This means that about 5,000 troops are moved, mostly down Yonge street, every Friday and back on Sunday night. The return fare by train is $1.85, considerably more than the average day's pay of the Canadian soldier. The men naturally hitch-hike, and this causes congestion on the roads and is bound to mean casualties, many more in winter than in summer. I suggest that a troop train be run from Borden to Toronto, and I suggest further that a fare of 50 cents be charged, and also that the train be under the command of the provost corps to ensure discipline en route, and that the train be run every major leave day. If this were done and a provost squad patrolled Yonge street and prohibited hitch-hiking many lives would be saved, the troops would get good, cheap and rapid transportation, and general economy would result.

I am not sure whether the house knows that it costs the country about $6,000 for every soldier killed in an accident, and besides that the country has to look after his dependents. I suggest that for short leaves and short passes a ferry service could be run from Borden to Barrie, for five cents each way, and no hitch-hiking on this road should be allowed. I suggest also that a ferry service be run from Niagara to St. Catharines to look after the Niagara camps. It is only where you get great concentrations of troops that danger exists. The Canadian people are only too willing to give troops a lift on the highways, but where major camps are situated special arrangements must be considered.

Mr. SPEAKER: I am sorry to have to interrupt the hon. member, but last week I had occasion to call attention to the fact that speeches were being read during this debate and I asked hon. members to be good enough to assist the chair in seeing that this practice shall not be followed. If I allow the hon. member to read his speech I must allow every other hon. member the right to do likewise.

Mr. ADAMSON: I quite agree with you, Mr. Speaker, but I was reading this statement in order to get it accurately on the record, because it is of great importance to the military authorities and to the troops at present training in Canada.

It is difficult to forecast the future, but it would seem to me that the peculiar genius of the Canadian soldier for mechanical warfare has not been sufficiently appreciated, and I make this suggestion, that we increase the strength of our armoured brigade to at least an armoured division. It is extremely probable that when our troops are called overseas they will have to fight in mountainous country. I therefore make the further suggestion that instruction in mountain warfare be given our troops or certain parts thereof. This could be done very easily at stations in the Rocky mountains or in the Laurentian hills.

There is one thing more I would suggest to the minister, and that is that when the troops go over in this war it is very unlikely that they will be able to receive a further period of training in the theatre of war. They will have to go from Canada completely trained and completely equipped to participate in warfare immediately. I would suggest that a training ground in, say, northern Ontario or northern Quebec be made where our troops could have experience in cooperation with the other arms of the service—using tanks, mechanized units, artillery and infantry together, as in actual combat, so that they will become familiar with the peculiarities of the arms and with essential methods of unified warfare. At the present time the infantry train very largely with the infantry, the artillery are to a certain extent segregated at Petawawa; and while there are tanks at Borden greater scope should be given to them. We have ample territory in northern Ontario for such a scheme to be worked out.

Further, with regard to internment camps, I suggest that these camps be placed entirely under the jurisdiction of the district officer commanding the military district in which they are situated, and that he be made responsible for the discipline and the entire running of the camps. At present there is a duality of command, which is likely to lead to certain discomfort in the operation of this service. I do not know whether the house realizes that in many instances the German prisoner is rewarded by his government, or at any rate promised reward by his government, of an increase in rank for every attempt he makes to escape. This increases the number of attempts to escape.

Mr. RALSTON: My hon. friend knows, better than most I suppose, the method of administration of the internment camps, and I am sure that if he will look at the orders which have been issued he will be able to satisfy himself that there is no duality of command. The district officer commanding is in control. What my hon. friend refers to is the fact that there is a provost corps and a veterans guard, each of which has a central commander; but the responsibility for the camps is under the district officer commanding. The same situation exists with regard to the ordnance corps. That is a separate corps, with some control from headquarters, but at the same time the ordnance officer is under the district officer commanding.

Mr. ADAMSON: I appreciate that. I was referring to the provost corps and the veterans guard.

Mr. RALSTON: There is no duality of command so far as control of the internment camps is concerned.

Mr. ADAMSON: Under the director of internment operations?

Mr. RALSTON: He reports only to the Secretary of State.

Mr. ADAMSON: The district officer commanding is entirely responsible for all?

Mr. RALSTON: Yes.

Mr. ADAMSON: I am glad to have that information.

I should like to make two or three suggestions in connection with the industrial aspects of our war effort. I suggest these two things to the Minister of Munitions and Supply (Mr. Howe) and the Minister of Agriculture (Mr. Gardiner). There are some technical terms which I should like to have permission to read, because I wish to get them all on the record correctly.

I suggest that steps be taken for the manufacture of starch from wheat and potatoes. My information is that there is no technical difficulty in this process either from potatoes or from wheat; that while several small potato starch concerns do now exist there is no wheat starch plant. I am also informed that wheat starch can to a very large extent replace corn starch and that wheat dextrin could be used instead of corn dextrin, of which Canada imports about 10,000,000 pounds annually. Further, that wheat makes excellent confectioner's glucose, 60,000,000 pounds of which are used per year in Canada. This is now made one hundred per cent from imported corn.

My second suggestion relates to alcohol made from wheat and potatoes. Alcohol for admixture with petroleum-produced gasoline is common in Europe. To-day England is being bombed by the Luftwaffe using a high octane fuel which is a mixture of potato and petroleum refineries. There are no technical difficulties which would prevent the use of a wheat-based alcohol. My information is that a mixture of ten to fifteen per cent alcohol is common. We have to-day in storage 840 million bushels of wheat; next year there may be over a billion bushels in storage. All our petroleum products have to be imported either in the raw or in the refined state, thus using valuable foreign exchange. Surely the government might foster the operation of a plant of this kind as an emergency war measure.

I have a third suggestion to make. My friends the colloidal chemists have repeatedly asked me why no aeroplane frames made of plastics were being turned out. I understand that a year or so ago representations were made to the government to investigate this field. It was pointed out that Canada was a non-ferrous country and that the construction of aeroplane frames would probably be beset with great difficulties because of the lack of trained metal workers. It was also shown that we have an abundance of the ingredients to produce the finest laminated plastics, and that their manufacture even into complicated air-frames does not require great numbers of highly skilled workmen. It is also known that these raw materials are not available to the enemy in anything like our quality or quantity. Surely all possible effort should be given to this work, which may revolutionize the production of aircraft and put Canada right in the van of production. I understand some experiments are being made now, but my criticism of the government is that they should have been made long ago, and either we should now be producing plastic aircraft or we should know that their production is impracticable.

Mr. HOWE: When we were first approached on the subject of plastic air-frames we placed an order with the inventor, who was then in production, for three. At the same time we started experiments of our own in the national research laboratories. Both these approaches have been followed up continuously; no time has been lost.

Mr. ADAMSON: Will the minister give further information on this subject when he speaks?

[Mr. Adamson.]

Mr. HOWE: Certainly.

Mr. ADAMSON: I should like to bring up as an example one further subject—bentonite. This substance is used in the manufacture of lubricating oils. It is now imported to the extent of 15,000 tons a year, the value per ton being about $80 in United States funds. We have a deposit of excellent quality in Manitoba. Has this been investigated? If not, why not? I mention this item, which is small, as an example of the development work to be done in Canada and as showing that we must utilize all our natural assets to win the war. Let us learn a lesson from the enemy, whose scientific use of all the natural resources of his country has been one important factor in his success to date.

I also believe it is our duty, as the senior dominion, to recommend the formation of an imperial war cabinet. In the last war we had an imperial war cabinet, and it proved, I think the Prime Minister will agree, of great value. In this war the British empire stands alone; we have no ally. Surely it is even more essential now that we should have an imperial war cabinet to discuss cooperation, mutual assistance and other matters. The position of the high commissioner is not enough; the government should seriously consider the bringing into being of an imperial war cabinet.

Finally let me say to the Prime Minister that we appreciate the difficulties of his government. We appreciate the difficulty of running Canada's war effort. We want to be led, we want to be told, we want to know what he is going to do. We want the leadership, the courageous leadership of Winston Churchill. We want to be told what to do. We know that if the government fails we fail too, all democratic things fall, and that goes for our way of life in Canada. The country is behind the government, but the country demands that the government shall give leadership. I leave that with the Prime Minister. The country will follow, the country will work, the country is with you, but for God's sake give us leadership.

Hon. C. G. POWER (Minister of National Defence for Air): Mr. Speaker, I confess that in preparing the notes which I thought would be required to make a factual statement of the position of Canada with respect to the development of the air force I was somewhat embarrassed as to the extent of the information which it would be possible for me to give to the house. My hon. friend who has just spoken (Mr. Adamson) has still further increased my embarrassment by asking that the ministers give an account

of the numbers, categories and types, dates of delivery of war material and equipment necessary to arm our forces.

Quite frankly, in considering this matter in regard to the air force, I do not know just what reply should be made to my hon. friend. I have in mind particularly the air training scheme; after all what hon. members of this house and the country want to know is not what the schedule is or how far we have advanced it, but how many pilots are going to be sent overseas and when. They also want to know what aircraft we have and of what types; those we actually have on hand and those which are to be delivered, and when. Unfortunately the advice which we receive from overseas—and I have a dispatch under my hand—is to the effect that there is considerable danger in making public detailed information with respect to these very things—that is, the output of the scheme and aircraft production.

Now, I have been long enough a back bencher in this house to look askance at what I might call ministerial alibis, but I ask the house to believe me, and to prove what I say I am quite willing to hand over to my hon. friend the acting leader of the opposition (Mr. Stirling) a copy of the dispatch which I have mentioned, and to give him or any other hon. member a full and complete statement showing the number of pilots, observers and gunners that will be produced from this scheme and the number of aircraft we have on hand and will have on hand for several months. However I hope the house will excuse me from mentioning it during the course of this statement.

Perhaps at this point I ought to give the strength of the Royal Canadian Air Force as of different dates. On September 1, 1939, there were 450 officers and 4,000 airmen. On April 1, 1940, there were 1,223 officers, 9,444 airmen and 1,241 civilians. On November 12, 1940, there were 2,389 officers, 29,096 airmen and 4,586 civilians. There are at the present time, included in the above figures, undergoing training as air crews men numbering 7,227. Last month we enlisted 1,900 air crews men.

For the purpose of giving an exposition of the work of the Royal Canadian Air Force we have usually divided the activities into three parts, namely that of the air force overseas, that of what is known as the home war establishment—the air force in Canada—and that of the joint air training plan.

With respect to the air force overseas I would say this. There are at the present time overseas representing Canada three squadrons—one fighter, one army cooperation, and one which has up to the present been known as a pool or composite squadron, which went over originally as an army cooperation squadron.

No. 110 army cooperation squadron proceeded to England early in the year 1940 under the command of Squadron Leader, now Wing Commander Van Vliet of Winnipeg. The squadron went into intensive training with the Royal Air Force, performing the work allotted to it in training and in reconnaissance. It was placed under the operational control of the Royal Air Force during the months of May and June, and has continued to perform the functions allotted to it by the Royal Air Force. But it is at the same time attached to the army division commanded by Lieutenant General McNaughton.

As the house will remember, No. 1 fighter squadron was dispatched to England during the month of June, at a time when matters appeared to be at their darkest overseas. The house will recollect that two squadrons, namely No. 112 and No. 1 fighter squadron, were dispatched overseas. No. 1 fighter squadron was under the command of Squadron Leader, now Wing Commander Ernest McNab of Saskatchewan. It was immediately placed under the tutelage of the Royal Air Force, for training, and to gain the latest experience in aerial warfare.

Prior to working together as a squadron, squadron leaders, individual pilot officers and others had their turn of duty in actual combat with the Royal Air Force. When it was deemed ready to take its place in active operation as a unit, it was declared to be "acting in combination with" the Royal Air Force and then came under the operational control of the British Royal Air Force. It has been occupied steadily in operational work in the defence of London, since that time, with the exception of a three weeks holiday or rest which was given to it some time ago. It has now returned to its operational duties.

I need not dwell at great length on the magnificent work carried on by that fighter squadron. Members of it have won awards, decorations, and the highest praise and eulogies from their companions in the Royal Air Force and from the press of Great Britain generally, as well as from Britain's most prominent statesmen. They have carried on in the tradition which was created twenty years ago by the Canadian boys who served in the Royal Air Force. They have been in the thick of the fighting. They have been a source of pride and glory to our country.

With respect to No. 112 army cooperation squadron, which, as I said, was converted into a pool reinforcing squadron for No. 110 army cooperation squadron as well as for No. 1 fighter squadron, it has been carrying on its work in training and in reconnaissance. I

believe I might say here that a great many of the officers were somewhat unhappy about it. They were somewhat impatient in that they wished to take a more active part in the operations. But the exigencies of the situation did not require that their services should be utilized in the defence of Britain, and up to the present time they have not been. During the last week, however, as a consequence of the supply of trained pilots from the Royal Canadian Air Force in Canada who have been going forward as reinforcements, and owing to the fact that the output from the joint air training plan is beginning to make itself felt, and that that output will continue in a highly satisfactory degree, it is now possible for us to transform No. 112 cooperation squadron into No. 2 Canadian fighter squadron. Very shortly these men will take their place alongside No. 1 fighter squadron in the battle of London and in the defence of Great Britain.

Reports which we have concerning our men overseas generally indicate that their health has been good, that discipline has been exemplary, that morale has been high, that they get along extremely well with their Royal Air Force comrades, that there is the closest cooperation between the Canadian Army and the Canadian air force, and, finally, that there is coordination of effort and cooperation with the authorities of the air ministry.

I cannot leave this brief review of our activities overseas without making mention of the Royal Air Force Canadian squadron. The Canadian squadron of the Royal Air Force is manned almost entirely by boys from Canada, many of whom were trained in the Royal Canadian Air Force and others in the flying schools across the country. Since the break through in Holland and Belgium they have been giving a magnificent example of devotion to duty and of courage in the most active operations and, as the Prime Minister (Mr. Mackenzie King) said a few days ago, they have earned a very large number of awards and have to their credit a great many victories over the Germans.

The home war establishment to all intents and purposes is the backbone of the Royal Canadian Air Force. It has been denuded of its personnel, first by the dispatch overseas of a great many of its officers and men, and, second, by the necessity of using the men trained in the home establishment for purposes of the joint air training scheme. Nevertheless it has been able to carry out the duties and functions allotted to it with remarkable persistence and success.

Briefly, its duties are the reconnaissance of bays and inlets and ports on the coast in order to ascertain if the enemy is trying to establish himself in these outlying districts; to patrol the harbour entrance of protected seaports to locate any possible undersea enemy craft, and to perform the work of anti-submarine patrol in connection with convoys, both outgoing and incoming, throughout the hours of daylight and to assist surface escorts. On many occassions these patrols extend far out into the Atlantic. It has also the duty of being constantly prepared for bombing and striking duties in support of the naval forces, or when required to attack enemy surface craft, raiders or others located by reconnaissance. It provides air striking force against hostile raiders, submarines and potential landing parties, as well as searching the coast for the enemy. All our aircraft on these duties carry bombs and armament sufficient to attack the enemy on sight.

In addition to the bomber reconnaissance squadrons there are other squadrons whose duty it is to assist the coast artillery in spotting during target practice, and of necessity to be ready for spotting duties should more serious work occur. Since I last addressed the house in June the establishment has been considerably increased. There has been authorized a much greater establishment for both coasts. However, I must say that it has not been found possible to fill up to strength all establishments, either in personnel or aircraft. The training plan and supplementary schools are supplying personnel, and there is an improvement in the aircraft situation. The improvement will be greater as time goes on. On July 29, 1939, I said the following:

> In consequence of the situation in Britain, although our aircraft equipment resources at the moment may not be so great as might be considered desirable, we would not wish to make good our shortages by depriving Great Britain of supplies essential to her immediate needs from sources to which both Canada and the United Kingdom has access.

That was the policy with respect to the strengthening of the home war forces and the defence forces in general, and that policy is still in effect to-day.

A word as to the officers and men who are on duty in Canada. During the recess I had the pleasure and privilege of visiting the air force stations from Newfoundland on the Atlantic coast to Prince Rupert on the Pacific, and I was struck by the high morale, the good discipline and the excellent spirits which prevailed among these men. It is not an easy task that they have to perform. It is not very pleasant to be stationed at the Gander Lake air port in Newfoundland or at Alliford Bay, Bella Bella or Coal Harbour on the Pacific coast. These men are far away

from any form of amusement and from anythink like real companionship. They are not near the bright lights of the big cities. In the performance of their duties they have to fly in all kinds of weather, through fog and snow, in season and out of season. Although their work is not so glamorous or thrilling as the work of the men overseas; although they will receive little publicity for performing their duties conscientiously as they do, I believe that we in this house should pay them the tribute of saying that their work is well done.

I come now to the joint air training plan. In connection with this scheme there are three important factors which must be taken into consideration. First, there is the personnel; second, there is the aerodrome development and construction, and, third, there is the supplying and provisioning of aircraft. The whole aim and object of the plan, which is sometimes confused with side issues and supplementary work which is being carried on, is to produce fighting pilots and air crews. There are all kinds of incidentals leading up to this production, but the thing upon which we must set our eye is the fact that the main production of the air training school is pilots, gunners and observers. That is all important. The rest, although necessary, are only incidental and supplementary. At all costs we must produce as soon as we can and as efficiently as we can the greatest possible number of those who will take their place in the fighting line.

In order to indicate the complications incidental to the operation of the joint air training plan, which sometimes confuses the public and even those who are close to the scheme, perhaps it would be better if I gave a concrete illustration. We have in Ottawa, at Uplands, a service flying training school. These schools are probably the most important of all the schools in the scheme. It is in these schools that the pilot receives his instruction in what are known as intermediate and advanced flying. From there he proceeds overseas. All hon. members may not have seen this school, but I am sure that most have heard it at work, particularly in the early hours of the morning when sleep appears to be most blessed.

There are less than two hundred pupils at this school, but the staff necessary to look after the accommodation of the pupils, the maintenance of the aircraft and buildings and the administration of the school number 853. In some respects this school is the opposite to what is to be found in other schools or universities. In order to get together this staff of 853—I am now referring to what I have termed incidentals and supplementaries—we had to train practically all the members. For instance, there are fifty-five officers, 638 airmen and 160 civilians. There are thirty-five flying instructors. These instructors all had to go to a school for instruction at the central flying training school at Trenton, which turns out in varying numbers a certain number of instructors every month.

There are, at Uplands, officers whose duty it is to carry on the work of administration. Most of them, except for a very few who were connected with the permanent force, are men who only two or three months ago held positions in civil life. The work of administration of flying schools is not similar to the work which they were in all probability carrying on in civil life, and it was necessary therefore to send them also to a school for instruction. We opened a school of instruction at Trenton under an experienced air force officer who knew something of the problems of running an air training school, and there we turn out an average of approximately forty administrative officers per month.

There are also connected with Uplands, equipment officers and accounting officers. It was necessary to send these men to an equipment and accounting school. A school was opened at St. Thomas, which up to the present has graduated 160 equipment officers, 707 equipment assistants, 88 accounting officers and 446 accounting clerks. For a while the school was turning out approximately 171 pupils every six weeks but I am happy to say that we have pretty nearly completed the work of training this particular type of officer, and I think the output of this particular school will taper off and in the future come down to nothing.

Again at Uplands there are wireless officers and wireless operators, some of them in the commissioned ranks and some other ranks. Most of these men are graduates of the wireless school at Montreal, where men are trained to take their places in future wireless schools under the joint air training plan or in the home war establishment; and from these schools men have already been sent overseas to take their place alongside the Royal Air Force in the present combat.

We also need engineering officers. All these men I would say have previously occupied positions as engineers in civil life. We have sent them to the school of aeronautical engineering in Montreal, which turns out twenty aeronautical engineers every three months.

Again we had to open as incidental and supplementary schools, schools for armament

officers, armament instructors and armourers. Again I repeat, I do not want the house to confuse these men with the eventual output of the flying schools, which is air crews. A school was opened at Trenton, where at regular intervals men are being turned out to be armament instructors, armament officers and armourers.

Back of these schools which train the men who help to maintain the flying schools in operation, there are other units which we must take into consideration. There are, for instance, equipment units, four of them, one located at Montreal, one at Toronto, one at Winnipeg and one at Calgary. These equipment depots are composed of approximately sixty buildings. They have practically everything inside them from a needle to an anchor—barrack room equipment; articles for the upkeep, repair and overhaul of aircraft; articles needed for the comfort and convenience of the men—everything from stationery to the largest type of aircraft. These depots have to be manned, and equipment officers and equipment clerks have been trained to man them.

Then there are repair depots where airframe mechanics and machinists carry on the repair work for the stations or the commands in which these repair depots are located. There are at present three, one each at Trenton, Winnipeg and Calgary. Each one of these repair depots employs from 500 to 600 airmen, mostly mechanics.

There are also schools for training motor boat crewmen, to be used in crash boats on both coasts. There are schools to train aircraft inspectors; there are manning depots and initial training schools.

But by far the most important of the supplementary schools, and that is why I leave it to the last, is the technical training school located at St. Thomas, Ontario. We were fortunate in securing through the Hon. Mr. Hepburn and the government of Ontario an institution the like of which I doubt could have been obtained anywhere else in the British empire. I do not want to dwell upon the magnitude or magnificence of the building except to say that there is located at St. Thomas one of the most modern and best constructed institutions in the world. The government of Ontario very generously placed it at the disposal of the government of Canada shortly after the war broke out. In this institution, which is devoted largely to the training of mechanics, we have been able to house approximately 4,000 pupils. There is a staff of 420. The pupils are trained mostly in air-frame mechanics and aero-engine mechanics. A flow system has been established whereby approximately 150 men come in every week and 150 graduate. The course lasts eighteen weeks. The men are sent to the stations, home establishment or the air training plan. I am not going to say that these men become perfect machinists or mechanics, but they receive a training sufficient to enable them to do the work which we have to ask them to perform when they reach the schools such as the one at Uplands, where at the beginning they are placed probably under the charge of some senior man; and there they do the work of checking, overhauling and repairing the aircraft used by the pilot pupils. This school I think would be a revelation to anyone who cared to look at it. The men are well accommodated; so far as I was able to ascertain they are well treated, comfortable and happy. The work being done is of the utmost importance, and appears to be carried out efficiently.

In passing may I say that something like 253 air-frame mechanics and 120 air engine mechanics are required for a station like Uplands, so that the importance of St. Thomas as a pool from which we can draw the men required is not to be exaggerated.

In order to get pupils for St. Thomas advantage has been taken of the youth training programme; in conjunction with many of the provinces—seven out of nine—men are being sent to technical training schools after having been medically examined by the air force and after having been told that when they pass their examinations at the provincial technical training schools they will have the option of coming into the air force if we require them. From this source last year we obtained 1,500 recruits, and this year we are hoping to obtain 6,000 more. It is confidently hoped that by means of the youth training programme and the facilities offered by the provinces in conjunction with the air force, and through graduations from the technical school at St. Thomas, it will be possible for the air force to obtain almost all its requirements in regard to trained mechanics without in any way robbing industry. It is true that to some extent we will impinge on industry's potential, in that we are taking a great many of the younger men and training them ourselves; but on the other hand I sincerely hope that it will not be necessary for the air force to resort to direct enlistment from industry. By training our men almost from the beginning we will be able to develop men who will be satisfactory in that they will be competent to do the work which will be allotted to them.

Now for a moment or two I should like to discuss some of the other schools whose activities are concerned with the training of

air crews, pilots, gunners and observers, with particular reference to elementary flying training schools and air observers' schools.

Of late, if I am to judge by the questions and motions for papers appearing on the order paper, hon. members have begun to take an interest in the elementary training schools and air observers schools. The function of these schools is evident from their names, but what apparently has not been generally appreciated by the members of the house is that schools of these two types are operated by civilian companies. Almost it would appear as though in some way this fact had been kept secret. Personally I had intended mentioning it on several occasions, but did not find it convenient or appropriate to do so.

By way of digression, I may say that I was talking to one of my friends and confidants about the difficulties I would have in making this statement to the house in view of the fact that I could not disclose all particulars of the training scheme. This man, for a long time a member of this house and possessing a caustic wit, said, "Why don't you place it on *Hansard*? That is the best way to keep a secret, for nobody ever reads *Hansard*." That observation to some extent is borne out by the fact that last year an hon. member asked for the production of papers with respect to civilian training schools, including the model contract entered into between these schools and the government. I produced that contract and called attention to the fact that certain matters pertaining to it were of a confidential nature. But so confidential did this hon. member keep it that to-day I find on the order paper, in the name of his next-door neighbour in this house, a request for the production of the same document.

At the present time and for some time past in Great Britain elementary flying training has been carried on by civilian organizations. When the scheme first came up for discussion in Canada it was decided to follow the example of Britain, for a good many reasons, most of which I think will appeal to the judgment of the house. It was decided to take advantage of the experience of the flying clubs in Canada. Each club in this country has been offered and will accept the sponsorship of a company to operate an elementary flying training school. The procedure was something like this: Officials of the air force inquired of the Department of Transport the location of the nearest civilian flying club. When they were given that information they approached the members of that club, men who in season and out during the past years, in spite of a great deal of discouragement in many cases, have pioneered and developed flying in Canada. These men were asked to operate flying schools, and were told: "In order to obtain this contract, first you must form a company sponsored by your club." That was in order that there should be no debts left over from the club, and no involvement of any kind with the club's finances.

Each of these flying clubs incorporated an elementary training school. They were asked to furnish a certain capital, from $35,000 to $50,000. The government furnishes the buildings and the aircraft on loan and the companies furnish the management, the instruction, the food and the maintenance of the aircraft. The contract is something like this. There is paid a management fee of $1,400 for every four weeks—it works in four-week periods. That is the period during which the pupils are stationed at the school. Out of the $1,400 the operating company—that is to say, the club transformed into the operating company—must pay their manager's fee, their secretary, treasurer, stenographers, telephone operators and the whole general office staff. Other fees are paid in accordance with the number of hours flown, and generally there is paid the cost of gasoline and oil, and possibly other incidentals.

No company is allowed to pay a dividend of more than five per cent on the subscribed capital of $35,000. The books of the company, which are set up by government accountants and supervised and inspected continuously by government accountants, provide that at the end of thirty-six weeks, that is six accounting periods of forty-two days, there shall be a revision of the contract, and the government steps in and takes away 75 per cent of any profit which may have been made during that time, and fixes a new price on the basis of that profit for the ensuing six months.

No company can distribute more than five per cent; the rest remains in the treasury of the company, to be reviewed every six months, the object of the review being to ensure that the remuneration shall closely approximate the expenditure.

Those most closely in touch with it believe that there will be little or no profit to be made by elementary flying companies out of this venture, but the government must see to it that at least enough profit is made to keep them in operation, because it is considered extremely important that this work should be done by civilian companies; otherwise the hundred or more employees on the staff of these stations would have to be enlisted in the air force and would be a continuing liability to the government in the way of pensions, keep, pay and so on.

Every flying club in Canada will have an opportunity, and has agreed, to undertake to

sponsor one of these companies, and we have men in civilian life who are thoroughly familiar with flying under all the conditions that prevail in Canada, men who have supported flying to a greater extent than any other civilians in the country. I may add that in at least two instances and probably more—one instance being Vancouver and the other St. Catharines—these elementary school companies have been incorporated on a non-profit basis, and the charter shows that they do not intend to take any profit whatsoever. In one other instance the promoters and directors have inscribed in the minutes a resolution to the effect that they do not propose to take any profit but that any profit made will be invested in government bonds to be cancelled after the war. In two or three instances I know of, the manager of the club, who would naturally draw a salary of $300 or $400 a month, is turning that salary back to the government either in the form of subscriptions to war charities or by direct contribution.

Mr. STIRLING: Has the minister mentioned how many of these schools there are?

Mr. POWER: There will be twenty-six elementary training schools in Canada when the scheme is completed. Perhaps that is not quite correctly stated; I should say there will be twenty-six units, because three of the schools will be doubled; that is to say, instead of taking in seventy pupils they will take one hundred and forty. In other words, under the same group there will be two schools combined. One of the double schools is at Boundary Bay, another at Oshawa and another at Vernon.

At present there are sixteen schools in operation. I have prepared a list of the schools showing the name of the club sponsoring and the designation of the operating company. I have also a list of directors of each of these operating companies. With the permission of the house I should like to place this information on *Hansard*:

Directors of Elementary Flying Training Schools and Air Observer Schools as at November 15, 1940

No. 1, E.F.T.S.—Malton Flying Training School Ltd., Malton, Ont.

President—C. E. French—Ontario Sales Rep., Howard Smith Paper Mills Ltd.

W. A. McLeod—Sales Manager, H. H. Crang & Co., Brokers.

R. E. H. Bowman—Accountant, City of Toronto Waterworks Dept.

H. R. Bertram—Plant Supt., Minneapolis Honeywell Regulator Co.

F. L. Grang—Agent and Distributor, Nu-Enamel Limited.

J. B. Neeve—Research Engineer and Distributor for Hydrating Equipment.

W. M. Alexander—Alexander & Cable Lithographing Co. Ltd.

Manager—E. O. Houghton—Owner of a chain of drug stores.

Prof. T. R. Loudon—Professor of Engineering, University of Toronto.

No. 2, E.F.T.S.—Thunder Bay Air Training School Ltd., Fort William, Ont.

President—H. F. Dougall—Owner, Radio Station C.K.P.R.

R. B. Pow—Supt. Reliance Terminal Elevator.

P. H. B. Dawson—Chartered Accountant.

C. E. Chapple—Pres., Chapples Ltd., Department Store.

D. E. McKay—Pres., C. E. McKay Agency (Insurance and S.S. Agents).

H. M. Piper—Hardware Merchant.

J. G. MacDonald—Retired Gentleman.

No. 3, E.F.T.S.—London Elem. Flying Training School Ltd., London, Ont.

President—R. H. Reid—Dir. and Exec. Asst. London Life Ins. Co.

R. H. Cronyn—Trust Exec. Canada Trust Co. and Dir. John Labatt Ltd.

R. G. Ivey, K.C.—Barrister; President, Northern Life Assurance Co.; President, London Street Railway Co.; Director, Silverwoods Limited; Director, London Realty Company; Director, Bathurst Power & Paper Company; Director, Canadian General Insurance Co.

D. B. Weldon—President, Midland Securities Corporation; Director, Goderich Elevator & Transit Co.; Director, Cities Heating Company Ltd.; Director, London Street Railway Company; Director, London Realty Company; Director, National Dry Limited.

Chester F. Stevens—President, Empire Brass Mfg. Company Ltd.

Secretary-Treasurer—N. J. Peever—Managing Director National Dry Limited; Director Proctor Packers Limited.

President—Geo. S. Durand—Owner Durand Insurance Brokerage; President, London Flying Club Limited; Vice-President London Agents Association.

No. 4, E.F.T.S.—Windsor Mills Flying Training School Ltd., Windsor Mills, P.Q.

President—Sidney Dawes, M.C.—President, Atlas Construction Co. Ltd.

J. D. Tudhope, M.C.—Montreal Rep. Canadian Aviation Ins. Mgrs. Ltd.

P. S. Fisher, D.S.O., D.S.C.—Vice-Pres., Southam Company Limited.

G. A. Birks, M.C.—Director, McTaggart, Hannaford, Birks & Gordon Ltd.

R. Smith, A.F.C.—Secretary, Canadian Industries Limited.

F. W. Dougherty—Pres., Montreal Stencil Works Ltd.

F. Eugene Therrien—Advocate, St. Jacques, Archambault, Prieur, Therrien and Gagnon.

No. 5, E.F.T.S.—Lethbridge Flying Training School Ltd., Lethbridge, Alberta.

President—C. W. Roenisch—Vice-President, Midland & Pacific Grain Co.

T. N. Sandgathe—United Grain Growers.

Managing-Director—D. K. Yorath.

J. Cross—President, Calgary Brewing & Malting Co.

H. R. Carson—President, Taylor, Pearson & Carson, Ltd.

C. E. Morris—Manager, Bell & Morris, Limited.

G. Egbert—Barrister.

No. 6, E.F.T.S.—Northern Saskatchewan Flying Training School Ltd., Prince Albert.

President—Hugh Sibbald—Contractor.

H. Holroyde—Real Estate and Insurance Agent.

Manager—Stewart McKercher—Barrister.

R. Mayson—Manager, Mayson & Campbell Aviation.

P. W. Mahon—Real Estate and Insurance Agent.

A. I. Wilkinson—Insurance Broker.

A. J. E. Sumner—Insurance Broker.

Dr. W. D. McPhail—Physician.

A. A. Murphy—Proprietor, Murphy Electric.

J. Olmstead—Proprietor, Automobile Clearance House.

No. 7, E.F.T.S.—Windsor Flying Training School Ltd., Windsor, Ont.

President—W. H. Cantelon—Vice-President and General Manager, Auto Specialties Manufacturing Company, Ltd.

Harry J. Mero—President and General Manager, Truscon Steel Co. of Canada, Limited.

J. Clark Keith—General Manager, Windsor Utilities Commission and Comptroller of Windsor Finance Commission.

C. W. Isaacs—President and Treasurer of Walker Insurance Agency Ltd.

Wiley W. Moxley—President and Manager, International Playing Card Company, Limited.

No. 8, E.F.T.S.—Vancouver Air Training Company Ltd., Vancouver, B.C.

President—Leslie J. Martin—Director of Home Oil Distributors Ltd.; Vice-President, Vancouver Oil Co.; President of Kiwanis Club; Chairman of the Board of Columbia Coast Mission; President of Aero Club of B.C.; Governor of Vancouver General Hospital; Director of Vancouver Symphony Society.

Major A. C. Taylor—Director of Home Oil Distributors Ltd.; Director of Vancouver Oil Co.; Director of B.C. Power Corporation; Director of B.C. Packers Ltd.; President of Bralorne Mines Ltd.; President of Bralco Co., Ltd.; Director of Boeing Aircraft of Canada; Director of Bank of Canada; on Advisory Board of Royal Trust Co.

W. G. MacKenzie—President, MacKenzie, White & Dunsmuir Limited, of Vancouver; President, B.C. Bridge & Dredging Co. Ltd.; President, Lemadu Co. Limited; President, Mt. Evelyn Mines Ltd.; President, Pacific Airways Limited; Vice-President, Western City Co. Ltd.; Vice-President, Vancouver Parts Co. Ltd.; Director, Aero Club of B.C.; Director, Pacific Coyle & Navigation Co. Ltd.; Director, Georgia Hotel Co. Ltd.; Director, British Aeroplane Engine Ltd., Montreal; Director, Canadian Wright Ltd. of Montreal; Sales Manager, North Western Dredging Co., Ltd.

W. B. Farris, K.C.—Barrister and Solicitor; President, Hedley Mascot Gold Mines.

Dr. W. K. Sproule—Dentist; Director of Aero Club of B.C.

No. 9, E.F.T.S.—St. Catharines Flying Training School Ltd., St. Catharines.

President—H. J. Carmichael—President, General Motors.

S/L. M. A. Seymour, K.C., Solicitor at Law.

Dr. H. G. Fox, M.A., LL.D., B.C.L.—Managing Director, Lightning Fastener Limited.

Major H. V. Gould, M.C.—Manager, Gould-Leslie Signs.

A. F. Fifield—President, American Hoe & Shovel Co.; Director, Welland Vale Co.

Leslie Drake—President, Welland Vale Co.

C. Bruce Hill—President, Engineering Tool & Machine Co.

Major E. H. Lancaster, K.C.—Solicitor at Law.

A. A. Schmon—President, Ontario Paper Company.

Captain W. B. Elliott, D.F.C.—Manager, Engineering Tool & Machine Co.

L. F. Snell—Owner and Manager Niagara Glass Company.

Laroche Hudson—Superintendent at General Motors, St. Catharines.

Manager—F. S. Pattison—Manager, Frank Murphy Limited (Garage, Buick Sales).

Secretary—A. E. Parsons, B. Com.—Accountant, Provincial Gas Co. Ltd.

No. 10, E.F.T.S.—Hamilton Flying Training School Ltd., Hamilton, Ont.

E. M. Coles—Assistant to President, Canadian Westinghouse Co. Ltd.

J. M. Lounsbury—Secretary-treasurer, Lounsbury & Lounsbury, Limited.

N. W. Helwig—President, Morden, Helwig & Ferrie Ltd.

G. W. Wigle—President, Howell Lithographic Co. Ltd.

T. P. Pinkard—Sales Manager, United Gas & Fuel Limited.

S. S. MacNaughton—President, Payne & Hardy Limited.

No. 11. E.F.T.S.—Quebec Airways (Training) Limited, Cap de la Madeleine, P.Q.

President—D. A. Clarke—President, Clarke Steamship Co. Ltd.

G. W. Hutchins—Executor, Estate late James A. Richardson; Vice-President, Interprovincial Trading Corp. Ltd.; Chairman of the Board of Quebec Airways Ltd.

J. W. Tackaberry—Comptroller, Canadian Airways Limited.

Manager—M. de Blicquy—Manager, Quebec Airways Limited.

G. A. Thompson—General Manager, Canadian Airways Limited.

No. 12, E.F.T.S.—Huron County Flying Training School Ltd., Goderich, Ontario.

W. Haacke—Farmer, R.
G. C. Feagan—Farmer.
R. E. Turner—Miller.
President—G. L. Parsons—President, Goderich Elevator & Transit Co.
A. H. Erskine—Huron County Treasurer.
J. R. Douglas—Vice-President, Kitchener-Waterloo Flying Club, Inc.
W. H. Sims—Solicitor.

No. 13, E.F.T.S.—Eastern Ontario Flying School Limited, St. Eugene, Ont.

Manager—W. Davidson—President, Ottawa Flying Club, and Civil Engineer Department of Public Works.
C. K. Swerdfeger—Secretary-Treasurer, Ottawa Flying Club.
G. Henderson—Barrister.
N.B.—These men are only acting pending the election of a permanent Board.

No. 14, E.F.T.S.—Central Manitoba Flying Training School, Ltd., Winnipeg.

Hon. W. R. Clubb—Minister of Public Works for Manitoba.
Dr. J. P. George—Physician and Surgeon.
Floyd E. Howe—Farmer.
Chas. C. Phelan—Winnipeg Manager of Canada Railway News Co. Ltd.
John T. Boyd—President, Shea's Winnipeg Brewery Ltd.
G. M. Black—President, Black & Armstrong Ltd.; President, The Drewry's Limited.
Cecil W. Nicholl—Chartered Accountant, Dunwoody, Nicholl, Saul & Company.

No. 15, E.F.T.S.—Regina Elementary Flying School, Ltd., Regina, Saskatchewan.

G. C. Rooke, C.A.—Rooke, Thomas & Company, Chartered Accountants; Director of Regina Flying Club.
E. B. Hollinquist—Manager, Imperial Life for Southern Saskatchewan; Director of Regina Flying Club.
H. C. Cowdray—President and Manager, Western Dry Goods.
Albert Olson—President, Albert Olson Limited.
N. H. Read—President, Engineers & Plumbers Supply Co. Ltd.
Norman A. Ruse—Realty Manager; Director of Regina Flying Club.
George Speers—Speers Undertaking & Ambulance Service.
W. G. Yule—Retired Supervisor, Royal Bank of Canada; Director of Regina Flying Club.
R. G. Wadell—Manager, Regina Brewing Company.

No. 16, E.F.T.S.—Edmonton Flying Training School Ltd., Edmonton, Alberta.

Arthur Chattell—Manager, Northwestern Brewery.
John Dower—President, Dower Brothers.
W. R. May—Manager, Canadian Airways (Training) Limited.
Victor McCoshan—President, McCoshan Storage Company.
Oliver McIntyre—Vice-President, Capital City Box Company.
D. M. Plunkett—Assistant Provincial Auditor.
J. Taylor—President, Taylor, Pearson Auto Supply Co.

No. 1—A.O.S.—Dominion Skyways (Training) Ltd., Malton, Ont.

President—G. W. Hutchins—Executor Estate late James A. Richardson; Vice-President, Interprovincial Trading Corp Ltd.; Executive Vice-President, Canadian Airways Limited.
General Manager—C. R. Troup—Vice-President and Director, Dominion Skyways Ltd.
W. A. Scott—Travel Agency.
Treasurer—J. A. Munroe.
L. J. Dalton—General Manager, Air Transport.

No. 2—A.O.S.—Canadian Airways (Training) Limited, Edmonton, Alberta.

President—G. W. Hutchins—Executor Estate late James A. Richardson; Vice-President, Interprovincial Trading Corp. Ltd.; Executive Vice-President, Canadian Airways Limited.
G. A. Thompson—General Manager, Canadian Airways Limited.
J. W. Tackaberry—Comptroller and Secretary, Canadian Airways, Ltd.
Manager—W. R. May, Alberta Superintendent, Canadian Airways Limited.
C. M. Forrest—Treasurer, Canadian Airways Limited.

No. 3, A.O.S.—Prairie Flying School Limited, Regina, Saskatchewan.

President and General Manager—R. W. Ryan, Manager of Prairie Airways Limited.
W. F. Thorn—President and General Manager of Franco Oils Ltd.
H. F. Berry—President and General Manager, National Light and Power Co. Ltd.
J. Kennedy—Retired business man.
N. J. Bellamy—President and General Manager, Bellamy Furniture Company.
W. G. Ross, K.C.—Barrister and M.L.A.
H. H. Burke——Saskatchewan Manager of British American Oil Co. Ltd.

List of elementary flying training schools as at November 15, 1940, name of sponsor flying clubs and designation of the operating company

School	Location	Sponsor flying club	Designation of operating company
No. 1, E.F.T.S.	Malton, Ontario	Toronto Flying Club	Malton Flying Training School, Limited.
No. 2, E.F.T.S.	Fort William, Ont.	Lakehead Flying Club	Thunder Bay Air Training School, Limited.
No. 3, E.F.T.S.	London, Ontario	London Flying Club	London Elem. Flying Training School, Limited.
No. 4, E.F.T.S.	Windsor Mills, P.Q.	Montreal Light Aeroplane Club	Windsor Mills Flying Training School, Limited.
No. 5, E.F.T.S.	Lethbridge, Alta.	Calgary Aero Club	Lethbridge Flying Training School, Limited.
No. 6, E.F.T.S.	Prince Albert, Sask.	Saskatoon Flying Club	Northern Sask. Flying Training School, Limited.
No. 7, E.F.T.S.	Windsor, Ontario	Border Cities Aero Club	Windsor Flying Training School, Limited.
No. 8, E.F.T.S.	Vancouver, B.C.	Aero Club of B.C.	Vancouver Air Training Company, Limited.
No. 9, E.F.T.S.	St. Catharines, Ont.	St. Catharines Flying Club	St. Catharines Flying Training School, Limited.
No. 10, E.F.T.S.	Hamilton, Ont.	Hamilton Aero Club	Hamilton Flying Training School, Limited.
No. 11, E.F.T.S.	Cap de la Madeleine, P.Q.	Quebec Airways Limited	Quebec Airways (Training), Limited.
No. 12, E.F.T.S.	Goderich, Ont.	Kitchener-Waterloo Flying Club	Huron County Flying Training School, Limited.
No. 13, E.F.T.S.	St. Eugene, Ont.	Ottawa Flying Club	Eastern Ontario Flying School, Limited.
No. 14, E.F.T.S.	Portage La Prairie, Man.	Winnipeg Flying Club	Central Manitoba Flying Training School, Ltd.
No. 15, E.F.T.S.	Regina, Sask.	Regina Flying Club	Regina Elementary Flying School, Limited.
No. 16, E.F.T.S.	Edmonton, Alta.	Edmonton and Northern Alberta Aero Club	Edmonton Flying Training School, Limited.

Air observer schools as at November 15, 1940; name of the sponsor commercial company and designation of operating company

School	Location	Sponsor commercial company	Designation of operating company
No. 1, A.O.S.	Malton, Ontario	Dominion Skyways, Limited	Dominion Skyways Training, Limited.
No. 2, A.O.S.	Edmonton, Alberta	Canadian Airways, Limited	Canadian Airways (Training), Limited.
No. 3, A.O.S.	Regina, Sask.	Prairie Airways, Limited	Prairie Flying School, Limited.

We feel very strongly in the air force that this system of giving out the work by contract should not be disturbed. It has been successful in the old country, and, so far as we have been able to ascertain in the months in which some of the schools have been operating, it has been successful here. At present fifteen schools are operating and one more will open on November 25, and we have been able from actual experience to ascertain that the work they are doing is efficient. It is saving in many directions, including a saving in respect of further organization. We are already overburdened with the work of organization. It prepares men for the work which they will have to do when they reach the more advanced schools, which are, of course, under the absolute control and management of the air force itself. The schools are supervised by air force officers, they are checked as to finances by air force accountants, and they are checked as to profits by the terms of their agreement with the government.

This contract was entered into before I came into the department, but it appealed to me in the same way as contracts given in many other civilian operating concerns. I am more familiar with the lumber business than with any other, having spent many years of my life in it. In the lumber business it is almost an axiom that it pays the operating company far better to give out certain contracts to jobbers and contractors: the work is done more efficiently, the overhead is less and the supervision is closer. Applying the same principle to the air force I think it will be found that the supervision is closer, the work is done more efficiently, and we do not have to spread ourselves out so thin. The Lord knows we are spread out thinly enough already in most of the activities of the air force, and when we can entrust the work to someone who possibly has equal experience and knowledge it saves further spreading out.

There is another reason, and I think it will appeal to hon. members. It is important in this kind of undertaking and in a scheme of this magnitude that as many people as possible in Canada should have an interest and a stake in it. Here are men who knew about flying, who were developing flying in their own community, who in many instances are the leaders of the community; to my mind it would have been a great misfortune had we not been able to enlist their services in the great work we are doing. I do not believe that we should in this country create too much of a professional class in the army, the navy or the air force. We do not want a nation of fans and rooters; we want more and more that the nation shall be players, and the more we can get in to assist us the better it will be for all concerned. Then they can cheer and applaud us when we are successful and groan and support us when we are not so successful.

Along the same line of thought, there have been brought into the department civilians who are expert in business organizations and in financial control to assist us in obtaining supplies from the Department of Munitions and Supply and in maintaining liaison with that department. These men, a great many of whom are working for no remuneration, have given to the department something of the initiative and capacity which obtains generally in business throughout Canada. Besides that we have in uniform in the air force men who were leaders in their communities and a credit to the business in which they were engaged; men who, sometimes in a very humble capacity, are carrying on and giving us the benefit of their brains and experience. To these civilians we owe a debt of gratitude, and as Minister of National Defence for Air I express it to them.

To continue with respect to the plan itself, under the plan as it was laid down at zero date, April 29, 1940, sixty flying schools of all descriptions—that is, schools in which flying is carried on—were to be constructed and ready for operation by December 31, 1941. In addition to that there were training units to be established to provide staff and personnel for these flying schools: three initial training schools, seven staff schools, twenty recruiting centres, two manning depots, eight equipment and repair depots, and also four training command headquarters—in all, sixty schools for air crew and forty-four other administrative, instructional and maintenance units. I can inform hon. members with certainty that by June 30, 1941, six months before the originally contemplated date, all our constructional programme will enable us to have 103 out of 104 of those units operating, of which 58 out of 60 will be schools for air crews and 45 will be administrative, instructional and maintenance units. This represents a straight acceleration of six months in the construction and provision of training facilities. In addition to that we shall have by that date developed and built aerodromes for the use of air force personnel in Canada to account for an expenditure of $20,000,000.

With respect to aerodromes, on June 10 last I informed the house that commitments had been entered into for the following aerodrome and hangar facilities for the training plan:

Aerodrome sites and ground improvements, through the Department of Transport....	$12,458,339
Buildings and facilities.....	19,745,000
	$32,203,339

The works contemplated on June 10 have all been completed, and we are in process of adding considerably to them. As a matter of fact the expenditures to which we are committed and which we are now undertaking, for the remainder of the fiscal year, will be almost double the 32 millions anticipated in June. It will amount to $62,167,645.22, made up of sites and improvements, contracts let through the Department of Transport, $20,512,328.68—that is, aerodrome sites other than buildings—and buildings and facilities, contracts entered into through the Department of Munitions and Supply, $41,655,316.54, making a total of $62,167,645.22. We have also undertaken to expend on behalf of the home war establishment, as differentiated from the joint air training plan, $12,224,020, of which $1,200,000 will be expended in Newfoundland.

Mr. HOMUTH: Will the minister explain the difference? He said "as differentiated" from the regular training plan.

Mr. POWER: I will tell the hon. member about it in a minute or two, so far as I can. We have undertaken to expend for the Royal Air Force on school facilities $20,000,000. This makes a grand total of $93,210,594 which has been expended or will be spent up to March 31, 1941 in the joint air training plan and for air defence facilities. I must warn the house that we shall have other heavy expenditures during the coming fiscal year.

Now, with respect to aircraft, I informed the house in June that under the agreement certain types of aircraft in certain numbers were to be supplied to the joint air training plan by the United Kingdom, some to be produced in Canada at United Kingdom expense, some to be produced in the United States at United Kingdom expense and some to be produced in Canada and the United States at the expense of the Canadian government. The house is I think familiar with the original financial set-up of something like $600,000,000 for the whole scheme, of which Britain was to pay in kind by way of production of aircraft and other accessories a certain amount, Australia a certain amount, New Zealand a certain amount, and Canada's share of the expenditure was to be $350,000,000. I do not mind saying that both Canada's proportion and the aggregate amount will be greatly exceeded before we are through.

When the house prorogued the number of aircraft in use was comparatively small. We had a comparatively small number of schools in operation. As I said a moment ago, we now have sixteen elementary training schools, three observer schools, five service flying training schools, and within another month we will have eight. So that the requirements for aircraft have been enormously increased.

The aircraft we had in June consisted almost entirely of elementary trainers, of which we had a sufficient quantity and of which, I may say, we still have a sufficient quantity. We are still able to procure all that are required. But other types, more advanced trainers, were required. Some difficulty was experienced in obtaining them, but I am happy to say that at the present time, with all the schools open which will be opened in the immediate future, we have adequate supplies of training aircraft, including advanced twin-engine, single-engine and elementary trainers. By next June we will require for the purposes of the plan three times as many aircraft as we have at the present time. Provisions have been made whereby, if the contractor does not fall down on the job, and if two or three other things do not happen, we will have the aircraft in June. I hope and pray that we will.

As I said at the opening of my observations, I could lay before the house a full statement of every type of aircraft and the number of each which will be required from now until the end of 1942. But I am advised that that is not the right thing to do.

I should like to make some observations concerning the pupils. As the house is well aware, the pupils coming under the plan come from all parts of the empire. Under the United Kingdom's share they come from Newfoundland and the Straits Settlements, and under our own share we have accepted British subjects from the Argentine. Then, they are coming from Australia and from New Zealand. From the experience we have had they have been proven to be the best material which could be found. Compared even with what we expected, the percentage of wastage or failure has been extremely low. The men from Australia and New Zealand, whom we have had with us for some little time, have shown themselves to be the very best material, and have given an example and served as a model for our own young men from Canada.

Fortunately the plan was organized so that we can produce at the same time as the organization is being built. That is, it works under a unit system. Some units may be in

operation and producing at the same time as other units are being installed. Without betraying any secret I can say here that in 1941 and, counting in, if you like, the graduates in 1940, twice as many graduate pupils, pilots, gunners and observers will go overseas as was anticipated when the plan was brought into existence.

This is due to many factors. I must confess that it is not entirely to be placed to the credit of the administration in Canada. It is due to the transfer overseas of certain operational training; to the ability of our schools here to take in more pupils, both elementary and service flying training; to the rapid construction of facilities, schools and so on in Canada and, I believe, too, to the good work of administration by the officers of the Royal Canadian Air Force.

And now a word with regard to the British schools which have come here. I have not dealt in detail with the operation of those schools, but I now have permission to mention that they are established here. They are manned and equipped by the United Kingdom. The aerodromes were built and developed by the Canadian government at a cost of nearly $20,000,000 which is, of course, reimbursable to us. For purposes of administration they are attached to the commonwealth air training plan, and therefore for purposes of administration they are under the control of the Royal Canadian Air Force.

I should like to summarize this somewhat long and rambling discourse by saying that the commonwealth air training plan has now passed its half-way mark, that it is producing now and will continue to produce in ever-increasing quantities. Simply because we say that the plan is working and is in operation, it would be altogether unfair to suggest that we are not having difficulties every day of our lives, or that there are not all kinds of impediments and obstacles in the way. But when we give a report on the plan we must say what it looks like in the aggregate, whether it is to be successful or unsuccessful, whether it has or has not been accelerated. I do not want hon. members or the people of Canada to feel that we are trying to feed them with soothing syrup when we say that the plan appears to be far more successful than was at first anticipated. We admit that during its course we have met with innumerable difficulties and obstacles, some of which have not been easy to overcome. I can now say that whereas the original plan was to reach its full operation, that is, to be complete and at its peak, in April of 1942, by September of 1941 all units and schools will be in full operation; and long before that we shall have reached at least three-quarters of the peak capacity of our air crew production.

May I say this further in connection with the air training plan generally? The hon. member who spoke immediately before me touched on the subject, and with that part of his speech I am in entire agreement. Perhaps it is not sufficiently realized by the people of Canada, as I believe it is by members of the government, that in this war and at this particular stage of the conflict Canada has an enormous responsibility to bear. It will be remembered that during the last war Great Britain had as allies Russia, Japan and Italy, and she had associated with her the United States and a host of other countries. To-day Great Britain stands alone, with the nations of the commonwealth. Among those nations of the commonwealth we are proud to boast that we are the foremost and most important.

Mr. MacNICOL: The Greeks are doing a turn too.

Mr. POWER: I am sorry I did not mention the Greeks. They are doing a wonderful work. Their resistance has been nothing short of a miracle. I know all hon. members hope and pray that that nation will be able to continue to carry on as it has for the past three weeks and repel what is probably the most cowardly assault which has been made during the course of a war remarkable for the cowardice of unwarranted attacks upon small nations.

Canada has a responsibility to bear. We are the senior partner in the commonwealth outside Great Britain. We are not, as was the case in the last war, simply making a contribution to the common pot; we are in the war as a partner. In the particular work with which I am associated for the moment it is patent to all the people of the world that eventual success cannot be won until we first achieve air equality and then gain such air supremacy as will permit us to take the offensive without which no war can be won. In this respect the Dominion of Canada has a far greater responsiblity than was ever dreamed of during the last conflict. We are the mainstay and right arm of Great Britain. In so far as the joint air training scheme is concerned we believe that we have reached the point where we can predict the success of the plan and the attainment of our common object. In order to do this, and I say this frankly without any hesitation at all, we need the help, the advice and the support of every hon. member of the house and of all the people of Canada. I do believe that we will receive it.

Mr. CLARENCE GILLIS (Cape Breton South): Mr. Speaker, I have listened with a great deal of interest to the presentations of the different members, and particularly of the ministers who have addressed the house during this debate. I appreciate the difficulties of the ministers charged with the responsibility of the different departments connected with our war effort. The presentation of their reports to the house was a job in itself. I am afraid that throughout the country they are not receiving the cooperation that they should. As a member representing a Nova Scotia constituency I am pleased to see on the other side of the house the former premier of Nova Scotia who is now Minister of National Defence for Naval Affairs (Mr. Macdonald). While I know we will disagree on many subjects during the time we are privileged to be here, I believe I am safe in saying that in the matter of seeking a solution for the problems of Nova Scotia we will have no trouble in getting together.

I should like to make a brief reference to two statements which were made in the house by the hon. member for Cochrane (Mr. Bradette) and the Minister of Agriculture (Mr. Gardiner). I do not intend to take up the time of the house in discussing controversial matters that may not amount to very much, but I should like to direct attention to the fact that with the situation as it is, both in Europe and in this country, the two hon. members referred to, particularly the hon. member for Cochrane, characterized this group as communists, fascists and nazis. Later on, the Minister of Agriculture referred to the philosophy and programme of the Cooperative Commonwealth Federation as being state socialism or the state supreme.

As a member of this group I want to make my position clear. I am as much opposed to state-ism as I am to any other "ism." I have absolutely no intention of accepting a dictatorship in any form. I want to make that clear. My conception of the programme and philosophy of the Cooperative Commonwealth Federation is that they are the same as the programme and philosophy of the British Labour party. They conform in practically every detail with those of the present government of New Zealand. I do not think either the British Labour party or the government of New Zealand can be characterized as being communistic or fascist, or as adhering to any other form of "ism." I consider them as being forms of straight democratic government. They are carrying on the prosecution of this war in every way possible and with a view to utilizing the resources of the country in the interest of all people and on the basis of human needs.

If the opinions and ideals of the Cooperative Commonwealth Federation can be put into operation in the future, I see Canada as being a country where the government would act merely as a board of administration. In my judgment the most important thing in any order of society is the people, and the people should control at all times. Any government that gets too far away from the people will find itself in hot water in a very short time. I make these remarks just in passing because the remarks of the hon. member and the minister have been carried in the press and now appear on *Hansard*. As a member of this group I do not want to be classified as being one advocating state-ism, the state supreme or the regimentation of our people. Nothing is further from my mind and nothing is further from the policy and the programme of the Cooperative Commonwealth Federation as I understand them.

I listened with considerable interest to the different hon. members who have addressed the house. Without exception they all stress the necessity of winning the war, and rightly so. I was struck with the evident sincerity with which they placed their views before the house, but I would caution hon. members that the winning of the war and the preserving of democracy require something more than lip-service. As I understand it, democracy is not a theory, it is a practical working force that gives all people a voice in the management of the affairs of our country and the right to exercise in economic, political and sectarian fields the rights that are inherent in a democratic system. I feel, too, that in Canada we all should share and share alike, we should share that which is good or evil, enjoying the good things of life where we can and sacrificing where we must. I think the Prime Minister (Mr. Mackenzie King) stated the case quite clearly when he referred to labour in his "Let's Face the Facts" broadcast on Labour day. I listened to that speech, and I read it. I think it sets out the cause of labour in a very clear manner. I should like to quote two paragraphs as follows:

> In war, no work, no effort, can compare with the sacrifice of the soldier, the sailor and the airman. Their sacrifice is uppermost in the thoughts of this nation; it will live in its memories. But Canadians will remember, too, the debt they owe to labour. In Canada labour has extended its hours, surrendered its holidays and, in its determination to increase and advance production, has taught the young and the inexperienced the intricacies of complicated trades. It will be the duty of the people of Canada, realizing these things now, to remember them in the hour of victory.
>
> My fellow citizens! A distinguished British journalist who recently visited us, said that he found Canada at war with Hitler and at

peace with herself. We are at war, and we shall remain united in will and purpose. But we can only remain at peace with ourselves if shirking no effort, withholding no wealth, and sparing no sacrifice, we prove ourselves worthy of our two great brotherhoods—the brotherhood of the brave who fight for us, and the brotherhood of labour that works for their victory.

As my function in this house is primarily to speak for labour, I question, Mr. Speaker, whether we are proving ourselves worthy of these two great brotherhoods who fight and work for us. Conditions across the country as I have found them certainly cause one to doubt. In the province from which I come, and particularly in the eastern end of it, in Cape Breton island, there is slowly but surely developing among the people a complex that they are not considered a part of Canada. The war has had very little effect on unemployment there and hundreds of young men who have been unable to find employment are trying to get into the army. Petition after petition was read into the records of this house last session, demanding the opening-up of new mines in Nova Scotia. In one section at present there are 127 so-called aliens who have been driven out of employment, and they have 227 dependents. I looked into this question from all angles while the house was in recess, and I found that it was a question not of alienism but of unemployment, the last stand of desperate men to secure employment.

The relief that has been paid to these men is not adequate, and their children are not able to go to school. This question of alienism came up just after Italy entered the war, and while the house was in recess I made it my business to visit that particular colliery to look into this question. I met the miners who were forcing these so-called aliens—they are all Italians—out of that mine. I met the Italians themselves and had a long conference with them. I made it my business to interview the sergeant of the mounted police who had investigated the whole question thoroughly and has a very good grasp of the whole situation. I wanted to find out for myself whether it was really a question of alienism, if the miners were afraid to let these men come into the mines, or whether it was a question of unemployment. My considered opinion is that it is a question of unemployment, and I think 75 per cent of the men would tell you so. Here and there you would meet a man who would say that it was not safe to allow these Italians into the mines.

In that particular section the same thing was tried on two previous occasions. There are approximately 900 men employed in the mine, and a percentage of them are Italians. But there are also in that section hundreds of young men who have never had a job, and the native miners resent the fact that so many foreigners are gainfully employed while their own young men are walking the streets. As I said before, the same thing was tried on two other occasions, but the union upset it. At the present time the union officials say they are helpless.

We all remember the hysteria that was caused when the Italians entered the war, and in Nova Scotia these Italians were pushed out of their employment. During the last few weeks the union officials made an effort to straighten matters out and have these men reemployed, giving them status as Canadian citizens because, as a matter of fact, they are practically all naturalized citizens of this country and members of the union as well, and the constitution provides that they should be employed until such time as charges are brought against them of having engaged in subversive activities. But there comes a time when men become unreasonable, and after this thing had dragged along for about three months, when the union officials endeavoured to get these men back into the mine the native miners said no. The situation there is tense, and a telegram I received this morning prompted me to raise the question with the Minister of Labour (Mr. McLarty). The minister says that his department is cognizant of the situation and that they are trying to find a solution. My considered opinion is that if an attempt is made at this time to force these men into the mine there are liable to be serious repercussions, something I should not like to see happen. The whole question needs to be carefully arbitrated. But at the bottom of it all, in my opinion, is the question of unemployment.

The miners' union is an organization that is very reasonable. It has carried on collective bargaining in that section for thirty years and has never had much difficulty in the past in signing contracts. But at the present time there is not a contract signed. They have been juggling for two years with the mine operators, trying to arrive at some agreement on the question of wages. That further accentuates the unrest among the miners. They develop a complex that they are not being recognized, that their union is no longer serving its purpose, and as a result discipline suffers. That is not a good situation, particularly in our present set-up. The union officials and the men who take a leading part in its organization are endeavouring to iron these matters out and are making little progress in the matter of signing the contracts.

The people of Nova Scotia, the miners, the farmers and the fishermen—and I have been among them—are developing at the present time a complex of "what is the use?" They argue that nothing has been done, that no progress is being made, and unemployment in that section is much worse to-day than it was when the war broke out. Hundreds of young men are leaving school year after year and adding to the ranks of the unemployed. There has been no employment for them for years, and many of them have tried to get into the army but the units are filled up.

I find that Nova Scotia has gone backwards in the last fifty years industrially, and from the point of view of looking after their own needs. I have discussed this matter with men who have been familiar with the situation there for the past fifty years, and I have here a few statistics which, with your permission, Mr. Speaker, I should like to read into the record. Fifty years ago Nova Scotia had: The Merchants Bank; the Bank of Nova Scotia; the Halifax Banking Company; the Bank of Yarmouth; the Commercial Bank of Windsor; the Union Bank of Halifax; all organized, owned and directed by Nova Scotians who loaned money for the doing of Nova Scotia business.

Through mergers all these banks and their assets went west to Toronto; and to-day the money is loaned to Ontario industry. Nova Scotia lost its grip on its cash; and those who profited are living on coupon clipping—not on work-producing effort.

When steam supplanted sails, Nova Scotia had: A cotton mill at Halifax and one at Windsor; a paint works at Halifax; three tobacco factories; four or five shoe factories; two soap factories; several woollen mills (one at Mabou, C.B. won prizes at the Paris and Chicago World's Fairs); a big cheese factory at Antigonish, which won the prize at the Chicago World's Fair; a condensed milk factory at Truro; all merged out of Nova Scotia.

At Sydney, the home of the steel industry, which has been pap-fed from its birth to date, we have seen: A cement works drift into a merger; a fertilizer plant leave for Ontario; a local company organized to make small articles from steel be encouraged to spend a lot of capital, and then stymied by Ontario control.

We had Shaw and Mason build a foundry and employ a number of men to supply the steel company. Then a change of control that brought in an element connected with a similar foundry up north shifted the orders away and closed up the Shaw and Mason plant.

A big tar and chemical plant is gradually drifting to the upper provinces.

In every instance Cape Breton is being bled by capital and winked at by partisan politicians. The island is rich in pasture land and fodder hills for sheep. There is good grazing for cows and wonderful land for potatoes and small crops. Cape Breton can feed herself. Our fisheries are abundant, including lobsters, cod, herring, mackerel and swordfish, an asset hardly contemplated since the days of the French. Our people have been exploited. Cape Breton has wonderful gypsum deposits but does no manufacturing. We have great forests but no pulp or paper mills; the raw material is sold at mean prices and our timberlands are denuded. There are dozens of unworked coal seams on Boulardrie island, while Canada is importing coal. There is a rich coal field untouched at Port Morien, from the Hardwood Hill outcrops, which could contribute several million tons of good coal every year. Many of our best coal measures are proven on the Loch Lomond hill, 800 feet above sea level, which is able to contribute big coal outputs with free drainage and free ventilation, an ideal set-up for a profitable mining venture.

The answer to our problem in Nova Scotia, under our present order of society, is the creation in that section of the country of some of the war industries that are being established in Canada to-day. We have everything necessary for the manufacture of war material; coal, steel and iron ore. We are pleading for the government to recognize that section as part of the dominion.

The situation at the steel plant in Trenton, Nova Scotia, was such that on September 27, 1940, one of the responsible officials of district No. 26, the international board member, telegraphed the Minister of Munitions and Supply (Mr. Howe) asking that the minister use his authority under Bill No. 43, now the National Resources Mobilization Act, to take possession of the properties of the Nova Scotia Steel and Coal company and its subsidiaries in that section. There are 500 men idle in the Eastern Car plants, and the international board member charged that the Trenton company was on a sit-down strike, that nothing was being done to relieve conditions of semi-starvation existing there. He also made a direct accusation of sabotage on the part of that company. That statement was made by a responsible union official. I also received demands from the Thorburn area in Nova Scotia to petition the provincial government for the release of the areas on which the Dominion Steel and Coal corporation holds leases, in order that someone might be interested in undertaking some operations there.

Conditions of that kind, it seems to me, are not in accordance with the pronouncement by the Prime Minister that we must recognize the value of labour in its relation to the war. I said that to make democracy work something more than lip-service was necessary. In travelling through the provinces of Nova Scotia, Ontario, Quebec and New Brunswick I find conditions among the common people anything but resembling those which should exist among a free and democratic people.

The matters with which I am endeavouring to deal this afternoon are not products of my own imagination. I receive letters, telegrams and resolutions, by virtue of the fact that over a period of years I have been actively engaged in the trade union movement. These organizations send these matters to me, and I am here merely endeavouring to act as spokesman for those who send me this information. From New Waterford in Cape Breton I received a resolution passed by the town council stating that there are over 350 unemployed men in that town, with no prospect of obtaining work in the coal mines or elsewhere in that district. The council finds it impossible to raise funds for contemplated local improvements which would furnish work for a large number of these men. The council has made every effort, without success, to secure work for these idle men in public and private projects in New Waterford and other places adjacent thereto. In a resolution which I understand has been forwarded to the Minister of National Defence (Mr. Ralston), they also make the accusation that work on the extensive public works programme in municipal district No. 20 was being distributed by petty politicians on a patronage basis in view of the forthcoming municipal elections.

In New Brunswick, where I visited the mining section of Minto, I found conditions at least fifty years behind the times. For a number of years the miners in that section have been endeavouring to exercise their industrial democracy by establishing a union and having it recognized for the purpose of collective bargaining, against the direct opposition of the operators and with very little cooperation on the part of the provincial government.

During the recess I had an opportunity of visiting some sections of Ontario, and I was particularly interested in the metal miners in the northern part of this province, with whom I discussed their problems. I find that conditions in northern Ontario resemble anything but democracy. In that area there are from forty to forty-five thousand miners who are endeavouring to form a union. The question of silicosis was brought very sharply to my attention during my visit. As hon. members know, this is a disease prevalent not only among the metal miners of northern Ontario but also among the miners of Nova Scotia. Last session I discussed briefly with the Minister of Pensions and National Health (Mr. Mackenzie), when an appropriation was being put through for research work in his department, the question whether it might not be possible to extend that work to take in this disease of silicosis. That appropriation was small, on account of the war, and the minister did not think there was a possibility of the work being extended, but he did suggest that Ontario had carried on a good deal of research work into this question and that this province had considerable data which might be of some value to us in Nova Scotia. I was glad to get that information, because I also had the opinion that Ontario was well advanced in the prevention and care of silicosis.

As I say, I discussed that matter with the miners in the north, but I found that Ontario was in pretty much the same condition as Nova Scotia. My information is that of some 2,200 persons who have applied for compensation under the Ontario regulation, only twenty-two have had their claims recognized, and I do not believe the facilities in this province for determining whether or not a man is afflicted with that disease are any better than those we have in Nova Scotia. If anything, I think perhaps we are a little ahead of Ontario.

There was brought to my attention one particular case which I think is characteristic of the general trend of the authorities in Ontario who are charged with this responsibility. A man by the name of Steve Kostanyk, who for some considerable time has been suffering from silicosis, has been endeavouring to prove his claim to the compensation board. To date he has been unsuccessful. I have here a copy of the will he made, signing over his body to his friend, a man named Nick Rozok, for the purpose of having an autopsy performed in order to prove that he died from this disease. The compensation laws provide that this disease is compensatable, but in all the years that Ontario has had to deal with this question the authorities have not been able to set up proper boards possessing the necessary facilities for determining whether or not a man is suffering from this disease. I think that is a crime and a shame, and it is merely one case I happened to run into.

We have had the same experience in Nova Scotia. A man named Andrews was afflicted

for several years with this disease and just recently it was made compensatable in the province and brought under the act. He had not proved his claim. The matter was discussed by the board but owing to the fact that the trouble had existed prior to the passing of the act this man did not come under it. He died only a few weeks ago. The claim was being handled by the union when I left. An autopsy was performed on his body, and according to a press clipping from the Sydney *Post-Record* of November 3 it was definitely established after the autopsy that Andrews had died from silicosis. It would appear to me that matters of this kind, if they are not taken care of under the jurisdiction of the provincial authorities, whether this be due to lack of interest or to a want of knowledge on the part of the provinces, should come under the federal department of health. It should be the prerogative of the federal department to see to it that men who, owing to their occupation, are prone to diseases of this sort are safeguarded, and research work should be carried on. There are approximately 45,000 miners in northern Ontario and 12,000 in Nova Scotia. In neither of these provinces is there any competent authority who can say whether a man is or is not afflicted with this disease. According to the evidence he must die, and his body must be cut up, before it can be ascertained whether he had been suffering from the disease.

Mr. HOWDEN: Is there any authority who is competent to say, before death, whether a man is suffering from silicosis?

Mr. GILLIS: I think there is.

Mr. HOWDEN: I doubt that very much.

Mr. GILLIS: I had an experience myself. I remember a controversy that took place with the Department of Pensions and National Health during the time that the present Minister of National Defence for Air (Mr. Power) was in charge of that department. We had a dispute over a comrade in the legion who had a chest condition which was diagnosed in five different ways by five different medical authorities. We took him to a chest specialist who advised that he be sent to a sanatorium. Well, that cost a little bit of money. A drug was injected into the bronchial tree and the effect watched by an expert, and that also cost money. When the examination was made and the report written, the doctor—Doctor Sieniewicz of Halifax—definitely diagnosed the case as one of tuberculosis incurred at a certain time and aggravated by coal and stone dust. The department at that time accepted the report and granted a pension. That man received proper treatment and is now alive and in better health.

Mr. HOWDEN: That was tuberculosis, not silicosis—a different thing.

Mr. GILLIS: It was diagnosed as silicosis, pneumomycosis and other things by several different authorities. My hon. friend is a medical man; I am not, and I am not going to argue with him. I merely state this particular experience, and I suggest that if the same rule were followed by the compensation board and a proper test carried out when men apply for compensation, much of the misery and suffering which exist to-day would be avoided.

I do not elaborate on these matters for the purpose of hearing myself talk. It may be said that these are isolated cases, but they are not. As I have said, there are 12,000 miners in Nova Scotia and 45,000 in northern Ontario. These men all go down mines and are subject to the disease. They may contract it sooner or later; something that we regard as an isolated condition is a subject of discussion among the men in their unions, and it builds up an antagonism in their minds and the belief that the responsible authorities are not doing what they should do. It was that complex which helped, I believe, to trip up France and the other countries that fell to Hitler.

Mr. HOWDEN: Would my hon. friend not be inclined to admit that the compensation boards by and large are unbiased and are as anxious for the welfare of the workmen as for that of anyone else?

Mr. GILLIS: I believe they are doing the best they can with the machinery at their disposal, but I submit that that machinery should be improved. I suggest that the department of industrial hygiene should carry on research work under the Department of Pensions and National Health. It would be a valuable contribution to the welfare of men employed in the mining industry.

I find that in the Kirkland Lake section, in addition to the problem I have been discussing, a local police force is being set up. In the Kirkland Lake section alone there are 250 men wearing the uniform of policemen and carrying revolvers and batons, and they are drilled by the local chief of police. No one knows what their function is, but I have heard it said among the men themselves, at a meeting I attended, that they bear a close resemblance to Hitler's storm troopers. No one knows exactly what their function is. The miners say that the uniforms are supplied by the local mining companies. During my

time in a union I have had plenty of experience with company-owned police forces, and I submit that it does not make for democracy in any part of the country to have groups of this sort operating, being responsible to no one that we know of, and allowed to wear uniforms and to arm themselves, for what purpose we do not know. In my opinion, that also creates in the minds of the men in that section the feeling that democratic principles are not being observed so far as they are concerned. That complex is being built up there.

In addition to that, complaints come in by telegram and letter from the Chrysler plant to the effect that workers are not being treated democratically. When they endeavour to follow the principles of democracy the tactics of Hitler are employed by the corporation. When a strike vote was being taken recently in the plant, a number of police officers were stationed outside the union hall at the time the vote was to be taken, soldiers paraded through the plant on the day the vote was taken, and everything possible done to intimidate the men.

Mr. McLARTY: To be fair, the hon. member will admit that any soldiers who went through the plant did so in pursuance of a programme that had been laid out before the strike vote had been arranged, a programme that involved the inspection of various industrial plants and not this one alone.

Mr. DOUGLAS (Weyburn): It was an unhappy coincidence.

Mr. McLARTY: The arrangement was made prior to any knowledge of any strike vote.

Mr. GILLIS: I have no doubt the Minister of Labour is correct and I am not questioning what he says. I am, however, not stating my own opinion on these matters; I am simply taking the evidence as I find it. That is the feeling of the men at the Chrysler plant. It was quite a coincidence that on the day on which their vote was being taken, the troops were paraded through. In the opinion of the men everything was done to intimidate them; they felt that it was intimidation. Later on, twenty-four of them were arrested. Some were released, but a few days ago, according to press reports, forty-six more were arrested. If that is the use to which the Defence of Canada regulations are being put, it means that all effective trade union activity in plants engaged in war production will be stopped. If this is the policy of the government, the government must amend its orders so as to safeguard the democratic rights of the workers to organize and carry on their trade union activities.

Only two months ago the two main organized labour congresses in this country held their annual conferences. The hon. member for Vancouver East (Mr. MacInnis) is a member of one congress and attended its conference; I am a member of the other and was a delegate to it. Both congresses passed resolutions complaining of the treatment of labour in this war, of the fact that labour is not represented on any of the war boards with the exception of the labour supply council which, according to my information, is a dead letter in any event. Organized labour has expressed its readiness, indeed its eagerness to assist the country in the winning of the war in every possible way. The Prime Minister in the passage which I quoted has paid tribute to the workers of this country for their sacrifices. The workers have a right to expect that their needs and their rights will be safeguarded. Their sacrifices entitle them to an equal partnership in the affairs of this dominion, which they can get only through trade union organization and collective bargaining.

Here is what the *Monetary Times* has to say in an editorial in its issue of November 9, and I do not think the *Monetary Times* can be characterized as a socialist organ:

> The employee, to put it briefly, must first be assured of receiving a square deal; after that government and public opinion may urge fresh sacrifices upon him with a clear conscience.
>
> In all fairness it must be remembered that industry has already been offered fair treatment. No manufacturer has been expected to work on war contracts at a loss to himself. His profit has been assured. These points have been conceded him in advance without argument. The profit motive has been accepted as his proper criterion of when and how much he shall produce. Labour is also primarily in industry for profits and not for glory. Its claims, then, should not be summarily rejected as improper and out of place. No attitude more inimical to the cause of winning the war could be adopted by anyone.

I agree with that opinion. I say that the government should, without delay, implement the policies which are laid down in an order in council relating to labour relations. Of what value is a statement of principle when in practice the machinery of the state and war regulations are used to thwart labour organization and to arrest trade union members?

Complaints also reach us from General Motors in Oshawa that the plant has been placed under the protection of the defence of Canada regulations by a special order in council. It would appear that everything possible is being done for the protection of those exploiting industry for profit.

It is not my intention in speaking about these things to belittle the efforts of the government. We realize the magnitude of their task in transforming this country from a peace-loving, non-military nation to an effective war-time machine. I fully realize the difficulties, but as one of the men in the street I also recognize the growing danger of allowing the Canadian people to get into the frame of mind that "we have not anything to fight for." At the moment, spokesmen of this country offer the people nothing but a return to the state of affairs which existed before the war. If we continue to do this, the people will not put forward their best war effort.

This generation has been afflicted with two major wars. Before and in between those two wars it has been further tormented by the most complicated economic disorders ever known; actual unemployment or the fear of it have oppressed the spirit of the people during the whole of my lifetime, and its attendant poisons have infected every class in society. No nation has been immune. In short, the social machinery which men have built up since the beginning of the industrial revolution got out of hand and it came to be realized that the most urgent problem of the day was to bring society once more under control. Men therefore longed for order; for only order could bring security, and for security men have often been prepared to give up freedom. It is in this mood and against this background that fascism makes its fatal, seductive appeal. It says to the tortured soul of Europe, "Give up your freedom and in return we will give you security." We say, "Cling to your freedom." Back comes the question, "What of security?" Men love liberty, but to be free they must live. Old world conditions made the two incompatible. All fascism does is to make the divorce absolute.

We must assure the people of this country a future in which they can be both secure and free. We will fight for it and, if needs be, die for it, but it is not good enough to ask us to fight for the restoration of the old world. It was conditions such as I have attempted to describe that made possible the rise of Hitlerism in Germany and fascism in Italy, and which prepared the way in the countries which have fallen under the nazi heel.

Mr. SPEAKER: I regret to have to inform the hon. gentleman that his time has expired.

Mr. GILLIS: I can finish in about a minute.

Some hon. MEMBERS: Go on.

Mr. GILLIS: I am earnestly requesting those in authority and entrusted with the future of this country to pay attention to the conditions that I have attempted to describe, because the right of the workers to organize, the enforcement of social legislation, the protection of civil liberty, freedom of discussion, are all things that are inherent in democracy. To talk about them is not good enough; they must be put to work as a practical demonstration to those whom we expect to produce the sinews of war and to fight the war.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. ALAN CHAMBERS (Nanaimo) (Translation): Mr. Speaker, now that I have the honour to be a very junior member of the Canadian Scottish Regiment I feel no diffidence in addressing this house in the French language. I do not need to remind the French-speaking members of this house of the early history of the province of Quebec and of the part played in the development of their beautiful country by people with Scottish blood in their veins. While I was myself not born in Scotland, I am of Scottish descent and the son of a man who fought throughout the last great war in the garb in which I now stand.

During my few short years in Canadian public life I have developed a great respect, may I say an affection for my fellow members who speak the French tongue. Military circumstances will no doubt prevent me from speaking again at this session of parliament and I take this opportunity, therefore, of speaking to my friends through you, Mr. Speaker, poorly no doubt but sincerely, in their own tongue. No one, least of all a Canadian soldier, can gaze dispassionately on the present plight of France. There are some even in Canada who have felt that the French alliance was a misalliance. I am not one of those. I am one who believes in the Entente Cordiale because I have confidence in the French people.

May I take you back, for a few moments, into French history. To the time of the battle of Sedan in the Franco-Prussian war when, as lately, France succumbed before the Hun. Her armies were beaten and scattered and, after a bitter and desperate struggle, the Boche triumphed. But, when the struggle was over, the spirit of France was reborn. The flame in the hearts of a valiant nation was rekindled. The torch dimmed in that struggle burst out again into the flame of Verdun. Through the bitter years of tribute and German domination

France gathered herself together for the coming fight and when it arrived the people of France conquered.

Let us now, therefore, when we gaze upon the agony of France at this time, remember not that they broke in Luxemburg; remember not that the Maginot line was turned; remember not the incident at Oran; but remember only that history will repeat itself as surely as we are here to-night and that the flame of Verdun will be rekindled when the assault begins.

There are those, too, who have forgotten that France was generous enough to give back the Saar. There are those who say that France should have been more generous. We who live with the oceans on our flanks can never truthfully be the judge of those who live with the enemy as their neighbours. If France has made mistakes let us forgive. Inevitably we, too, have made mistakes. But in the name of the hundreds of thousands of the flower of France who laid down their lives in the last war; in the name too of those scores of thousands of Canadians who lie beside them in the soil of France; let us remember France and let us have faith in the French people.

When I read every day of the deeds of our forces; when I hear from my friends and my relatives in the old land of the civilian defense of our mother country; when I realize from the magnificent figures given to us by those who are charged for the time being with the preparation of our Canadian forces for the assault; I look not backward to the defeat but forward to the struggle and to final victory. I have faith that we shall conquer as we conquered before—shoulder to shoulder with the soldiers of France.

Mr. Speaker, the traveller who visits the ancient capital of the province of Quebec is told the famous legend relating to an inscription found in ruins of the old city. The inscription of the Golden Dog. The spirit of France, humiliated by German domination, can no doubt be compared to this inscription. When the determination to liberate France will replace the shock of defeat, the nation will arise against its conquerors in the manner predicted by this old inscription:

Je suis un chien qui ronge l'os
En le rongeant, je prends mon repos.
Un jour viendra qui n'est pas venu
Où je mordrai qui m'aura mordu.

(Text) Mr. Speaker, as one who since last addressing this chamber has changed in both appearance and status, I should like if I may for a few minutes this evening to discuss some matters of military moment, rather than those affairs which, were I not in the position in which I find myself, I would have discussed.

[Mr. Chambers.]

Yesterday I listened to the magnificent speech of the Minister of National Defence (Mr. Ralston), a speech delivered with restraint and full of explanations which hon. members had been seeking.

Since the house last met we on the coast of British Columbia had an opportunity of meeting the minister when he visited the coast. I should like to congratulate him not only upon his speech of yesterday but also upon the fine impression he made upon the people of the coast, and particularly those on Vancouver island. As a member serving in an active service unit I was one of those who in common with many others had to stand inspection. All of us were greatly impressed by the fact that no matter where the minister went, he always had a cheery word for everyone, and nothing was too much trouble for him to inquire into or endeavour to put right.

Also during the recess we had a visit from the Minister of National Defence for Air (Mr. Power). His was more in the nature of a flying visit. Then, we were visited by the Minister of National Defence for Naval Affairs (Mr. Macdonald), who is now member for the constituency of Kingston City. We on the coast were particularly glad to note that the Royal Canadian Navy and its importance in Canadian military affairs generally have been recognized by the naming of a Minister of National Defence for Naval Affairs. Many of the people on the island are connected with the Royal Canadian Navy in one way or another, and after hearing and seeing the minister we were all glad that he had been appointed.

Some opinions on military affairs have been expressed in this debate, but I do not propose to comment upon the speeches delivered by other hon. members who are in uniform. Two of the hon. gentlemen who sit on this side of the house and who have spoken are men of much greater military experience than I. Perhaps the sole difference in point of view between them and myself is that I belong to an active service unit. We realize that there have been shortages, but these shortages have been overcome to a great extent by people being willing to put up with them cheerfully as it became necessary.

I should like to comment this evening, from the point of view of the active service force, upon several factors in the military situation. These are matters which I believe might well be discussed in this debate. First of all, there is the question of the training of what will, in the end, be the main fighting force. We have had some thirteen months of war and, as has been stated in the house, we have some 150,000 men in the Canadian

active service force. During all this period training has been going on. At the outset I should like to say that we are not getting as thorough a training as we should be getting, but we are getting as thorough a training as can possibly be given to us under the circumstances.

I believe that some of these circumstances can be altered. As I said earlier, I have only a limited knowledge of military affairs, but I speak from personal experience and from what I have seen at close quarters. The great need at the present time in the active service force of Canada is that we should be given the benefit of the experience of those who have spent many years in the permanent force of Canada prior to the outbreak of the war. They were learning military ways and making themselves proficient. Many of these men went over with the first or the second division, and a number of them should be brought back to Canada and split up among the active service force battalions in order that the members of those battalions should receive the benefit, not only of what these men have learned during peace time but of what they have undoubtedly experienced in the constant hard training in Great Britain during the time they have been over there. I am not in a position to know whether these things can be done, but if it is possible to arrange to transfer some of these men from the first and second divisions to active service force battalions in Canada, there is no doubt that in a considerably shorter time than has elapsed since the commencement of training of our active service force battalions they would be in a greater state of proficiency than they now are.

Many of the men in our active service force battalions have been in the army for six, eight or ten months. They are now facing another winter in Canada. Because of our climatic conditions it will be more difficult to train these men during the winter than it would be during the summer months. Now is the time when these instructors, as they might be called, or the more experienced members from the first and second divisions should be brought back to Canada in order to give us the benefit of their training. Those of us who followed developments in the French army from the time of the declaration of war until the attack on the lowlands know what happened because of continued inactivity. I do not want to give the impression that the troops on guard duty on the Pacific coast, such as the unit to which I belong, are inactive. We are anything but. On the other hand, there is monotony to be contended with. Many men who have friends and relatives in the forces in England have learned many things; they probably know a great deal more than we do, but what we do know is that the monotony of guard duty which has been carried on for nine or ten months and which is likely to be carried on into the winter is not going to make our troops into better fighting men. There will have to be an infusion of new training blood.

Something has been said about the training of those young men mobilized under the national resources act. There has been some debate and discussion as to the length of the training period, and I want to echo what has been said by the hon. member for Royal (Mr. Brooks). There is a training camp on Vancouver island and I can say that so far as the training of those men is concerned, it has been a job well done. I cannot say whether the proposal of a four months training period is a sound one. Personally I feel that a period of six or seven weeks would be more to the point. If men are to be trained for four months, it will mean that much of the work which they receive in the early days of the training period will have to be repeated. It may be that you will take the edge off their training and they will probably not be left with a desire to continue their training, as now seems to be the case.

While speaking of training, I should like to point out something of which I am sure the minister is aware. Because of climatic conditions, British Columbia is much more favourable for winter training than certain other parts of Canada. I think this fact should be given consideration by the minister.

Equipment and training going hand in hand as they do, if we cannot have all the equipment we want right off the bat—and one can very easily understand that these things cannot be done overnight—we feel at least that if there were a wider distribution of training equipment among the Canadian active service force units, if that equipment were moved around more than it is at the present time, it would be more beneficial. I do not want to go into a discussion of the training equipment we have on hand or that we have had in our unit, but certainly I should like to see a little more training equipment than we have seen so far, and we hope that it will not be long before we shall do so.

In the minds of a great many of the men serving in the army at the present time there is one unanswered question and that is, how far do the higher military officers in the Canadian forces recognize the difference between conditions in 1914 and in 1940 under which modern land fighting goes on. I put that only as a question. I do not suggest

that the higher military officers are not apprised of that difference or that they have not a complete idea of exactly what they propose to do and how they are going to do it. But there is in the minds of many of our soldiers that unanswered question, and we are waiting to know what the answer is.

May I say a few words about the soldiers themselves? One thing which has struck me about the present day Canadian active service force soldier is what happened the other day in our own unit, where we have had the ordinary wet canteen right along. We put up a dry canteen and a remarkable thing happened. In about a week's time the wet canteen was doing practically no business at all and the dry canteen was doing it all. That is a change from the last war. I do not know that the example was set by any one of us personally, but nevertheless that is what happened.

It would seem to me from what I know of the men—and the first thing one has to do is to try to get to know the men—is that first of all they know why they are fighting. They are all in the army with a determination. They have a great many suggestions to make, and they make them and we hear them. There is nothing of the automaton either in their actions or in their thinking which heretofore I understand has been a *sine qua non* of military life. These men have left their homes with a clear idea of why they are fighting and a desire to get on with the job.

I understand that the minister is going to England very soon where no doubt discussions will take place as to the immediate role Canada is to play in the next few months. At some risk of being misunderstood, I would suggest to the minister and the government that he give our men back here at home in the Canadian active service force ranks some hope that they may be led out to do something other than the monotonous tasks they have to perform at the present time. When we see the magnificent defence being put up by England, when we realize that women and children are being killed there and soldiers are not, it makes us feel—I do not know whether I can express it exactly—that we would like to be led out, away from our present humdrum duties, to the job that we joined up to do. But these things are in the hands of those much better informed than I am and in whom I have full faith. You cannot, however, keep young Canadians who have joined to fight, constantly training and training and training and not bring them into action.

The question of war aims has been raised from time to time. I do not know, of course, what any official statement of our war aims might be, but I think I know from the brief experience I have had with our troops what their war aims are, if one might use that phrase. They want to get a certain job done as rapidly as possible and get back to normal life. They want to know that while they are doing their job, their homes are protected and their families looked after. They want to know, too, that when they come back from that war, if they do come back, there will be as good or a better standard of living for the great masses of the people of Canada.

We understand that the government at the present time has a committee of experts working on post-war plans. I know that suggestions of value have been made to the Department of National Defence in this very regard. It may seem futile to talk now about demobilization, but, Mr. Speaker, you can lay the groundwork for an efficient and speedy demobilization if you do it during war time. One suggestion, for example, that was recently made to the department I should like to see adopted if it can properly be done, and that is that we should have in one compact dossier the civilian labour record of the soldier before he joined up, a record of the training he has taken in his military capacity and its bearing upon future employment, so that when the time comes for that man to be demobilized, the labour exchanges, which I have no doubt will be set up under the unemployment insurance measure, will be furnished with that information, and in particular the office for the district from which the man comes, so that while a job is being sought for him, he can be maintained in the army. That is only a very general suggestion, but I mention it because that information should be assembled now. It is no good setting up boards and commissions to assemble it just when we are going to demobilize our army.

Another matter about which the soldier—I am speaking of the private soldier, is worrying to a certain extent, is the question of insurance. I believe last session the hon. member for Broadview (Mr. Church) brought forward a suggestion in this regard, and I should like to endorse that proposal. I think at this time the government might approach the leading life insurance companies in Canada and ask them as a group, after conferring together, to present to the government, if they feel able to do so, a three-way scheme under which the government might pay a part, the man pay a part, and the insurance companies take a cut in their rates, thus putting into operation life insurance policies

on behalf of all men serving in the active service forces of this dominion. I do not think that should be impossible.

At the present time, if a soldier wants to insure himself against death overseas, he can do so only by taking out an ordinary insurance policy on which he must pay a very high extra premium per $1,000, I believe somewhere in the neighbourhood of $80. The government might say to these insurance companies, "We would be prepared to open negotiations on the basis of 200,000 men. What rate could you strike lower than that extra $80?" If the premium could be brought down to a more reasonable figure and the difference between the ordinary premium and the coverage for overseas death split between the man and the government, then the scheme might be brought into operation as a voluntary one open to any soldier, any member of the air force or any naval man. I do not know whether that is feasible; I have not had time to look into it, but for what it is worth I offer this suggestion to the government.

Speaking still of the troops themselves, I should like to refer to another question which already has been touched upon, namely, the question of leave and transportation. May I put it to you, Mr. Speaker, in this way: Imagine 300 men on a little neck of land, right on an ocean, fifty miles from the nearest settlement, in a district where it rains all the time. I see the hon. member for Comox-Alberni (Mr. Neill) giving me a side glance when I say it rains all the time, but in this instance it does. Imagine these men serving night after night, standing guard duty from dusk until dawn, in very heavy rain. Can you imagine how they would look forward to leave, particularly at Christmas time, which leave I now understand has been granted? Then how much more would they look forward to it if, as a Christmas gesture, although perhaps it seems strange to speak of peace and good will in these days, the government gave them transportation to their homes.

Before I finish dealing with this part of my remarks there is perhaps one other group I might mention. Before this war broke out, a great many of our young men on Vancouver island, who were not at that time being recruited by the Royal Canadian Air Force or the Royal Canadian Navy, left Canada and joined the Royal Air Force or the Royal Navy in England. We have quite a considerable number of young men, Canadian born and bred, serving and fighting in Britain at the present time, who are not actually members of the Canadian services overseas. I believe these young men are not paid as much for their services as we pay our soldiers, but what I am going to mention comes perhaps a little closer home to the average fighting man. These men of whom I speak do not enjoy the privilege of having cigarettes sent to them duty-free, as is the case with Canadians in the active forces. I understand this matter is now receiving consideration on the part of the government. It may not seem extremely important, and perhaps I should not take time to mention it, but it really is important to a large number of young Canadians in England to-day.

I see that my time is very nearly gone. Before sitting down, I wanted, if possible, to tell the house something of the difference in outlook that occurs when one joins the forces. Our spiritual leaders have told us—and I remember an address in the same vein by the Prime Minister (Mr. Mackenzie King)—that the fight in which we are now engaged is one, to use the words of St. Paul, against spiritual wickedness in high places. Certainly, when one considers the paganism and complete materialism of those forces against which we are struggling, one agrees that in a sense, as the Prime Minister said, the fight is a crusade. I believe, as Cromwell did when he built his new army, that if we have that spiritual confidence, as we have, and combine with it the most modern equipment and the best possible training, there can be no question as to the result. If I had the words I should like to convey to the house something of what that means to the forces. Perhaps I might express that in the words of Rupert Brooke, who said:

> Blow, bugles, blow! They brought us, for our dearth,
> Holiness, lacked so long, and love, and pain.
> Honour has come back, as a king, to earth,
> And paid his subjects with a royal wage;
> And nobleness walks in our ways again;
> And we have come into our heritage.

Mrs. DORISE W. NIELSEN (North Battleford): Mr. Speaker, in looking over the material I thought I might need in speaking this evening, at first I found it a little difficult to decide just which things were of the greatest importance and should be mentioned in the time I have at my disposal. The other evening I listened to the Minister of Agriculture (Mr. Gardiner) speak about the problems of agriculture. I listened to him outline what has been done. I also listened to the compliments paid by the Minister of Agriculture to himself. Yet I fail to see what this government is going to do about the wheat situation, especially in Saskatchewan, and it is possible that I should devote some of my time this evening to a discussion of that problem.

With regard to our war effort, it is necessary that this government should take a decided step towards safeguarding the health of our people through the coming years, because every one will agree, I believe, that after the years of suffering which a great number of our people have had to endure, through lack of medical services, through malnutrition and undernourishment, we are going to see a serious loss in working hours if our people do not have some help in that direction on a national scale. Some system of health insurance should be attempted at this time.

There is, however, one subject which is at this time more relevant than any other to the conditions that prevail in Canada, and to this subject I shall give my attention. I refer to the question of democracy itself. We are told that faith without works is of no avail and we also know that ideals, unless they are put into practice, are valueless. Democracy is a way of living, not just an ideal, and so I wish this evening for a while to consider the case for Canadian democracy.

I have listened in this house at various times to tributes that have been paid to the French-speaking people of this nation, tributes in which I have been very much pleased to associate myself, because I know what a great contribution they have made to Canada in the past and I am sure they will make a similar contribution to the history of this country in the future. The other evening I was happy indeed to hear the Minister of Agriculture compliment the English people, particularly since, although Canada is the land of my adoption, England is the land of my birth; and I was more than happy to hear him pay a tribute to the people of London, my old home town. It is in my opinion one of the greatest triumphs of the English people that throughout these last months of terror, throughout this greatest emergency of all times, they have been able to make secure to themselves democracy in England; for no one will deny to-day that the English people have retained the rights and privileges of a democratic people. That has been perhaps their greatest triumph.

It has been said in this house that the first line of our defence is in Britain. I do not remember just which members have said that, but I believe the Minister of National Defence (Mr. Ralston) said the same thing only the other day. When I am speaking of the defence of democracy I am inclined to disagree with that opinion, because wherever democracy exists it must be protected and guarded right there. In my opinion the first line of defence of democracy in Canada is here and is now. There is no use in our leaving the first line of defence to the people of Britain when we are thinking of our democracy; the first line of defence of Canadian democracy must be here in Canada.

Democracy in this country has been built up on the ideals of the two great peoples who constitute our nation, the French and English speaking people. It was, I believe, the great Frenchman Voltaire to whom this remark was attributed: "I disapprove of what you say, but I will defend to the death your right to say it." That is in essence the very cornerstone of democracy. It is the freedom of speech which is the inherent right of all peoples living in a democratic country.

Besides freedom of speech there is freedom of the press and of assembly; there is the right of every man to be thought innocent until he is proved guilty by a jury of his peers; there is also the right of labour to organize and peacefully to bargain. These various rights have always been acknowledged to be the very bulwark and foundation upon which democracy is built. It is true that we who have watched the growth of fascism in Europe have seen these very things attacked, one after another, by the forces of reaction which have attempted to defeat, and have so successfully defeated, democracy abroad. In Germany and Italy we have seen freedom of speech, freedom of the press and of assembly, the right of working people to organize, all gradually taken away from the people by the powers of dictatorship. Unfortunately, when we come to consider, we find that under the defence of Canada regulations, which we are told are for the protection of the Canadian people against the activities of enemy aliens, certain rights and privileges of people in a democratic nation are also liable to be taken away.

We are at war, and I know it is perfectly necessary in a time of war to do certain things. No one would deny that in a time of war we have to protect lines of transportation and our coast-lines from the activities of enemy aliens. But to anyone who has studied the defence of Canada regulations—and I wish very much that more of our Canadian people would study them—it becomes increasingly clear that although some of our regulations are decidedly to protect Canadian people from the activities of enemy aliens, there are in the regulations other clauses that are more calculated to defend, from the just criticism of its own people, a government which during the last session took to itself almost dictatorial powers.

It has sometimes been asked, why is it that here in Canada we have not the same freedom of speech which the British people

have still kept to themselves? The reply has been that here in Canada we cannot allow the same freedom of speech because we have certain minority groups. It is true that in this dominion we have people of many nationalities, people who have come from various countries in Europe. They have made a contribution to Canada; they have made a contribution to our living standards, to our thought and culture; and having made that contribution, a contribution of which they may justly be proud, they should be given the full privileges of Canadian citizenship.

To-day we are not allowed freedom of speech because there are certain minority groups in this country, and in my opinion that is an unjust and unfair way of dealing with these people. Many of them have come from countries in Europe where freedom never existed or where dictatorship has gradually taken over and democracy is dead. Many of these so-called foreign speaking peoples are more aware than Canadian-born people of the insidious approach which reaction and dictatorship will make towards the bulwarks and fundamentals of democracy. Many of these people would perhaps warn Canadians of the insidious approach towards the destruction of democracy. I wonder whether it is for that reason that we have lost some—I should say nearly all—of our freedom of speech in this country.

It is also true that in this country a large number of arrests have been made recently under the defence of Canada regulations. This is creating in the minds of Canadian people a great fear as to where our own democracy is bound. I think the majority of hon. members are conversant with the magazine called *Saturday Night*. In its issue of November 9, Mr. B. K. Sandwell, its editor, has an article which he heads "The Growing Sense of Insecurity. Mr. Sandwell is a man whose conservative opinions and fine sense of values have won him a position of regard in this country. He says:

> I doubt whether the government is fully aware of the grave sense of insecurity which is developing among the less influential classes of this country as a result of the workings of the defence of Canada regulations. . . . Canadians have been altogether too lacking in appreciation of the value of the courts and of the prerogative writs as safeguards against arbitrary action, but the present state of affairs is waking them up. Justice, it is true, is never perfect, and liberty can never be absolutely guaranteed to everybody; but the difference between the state of affairs which ordinarily exists in a British country as a result of the ability of the individual to bring his case before an impartial tribunal, and the state of affairs which exists when he is deprived of that ability, is beginning to be appreciated.

According to Mr. Sandwell's report, about 1,500 people have been interned since the defence of Canada regulations came into effect. There are some things I should like to say about the way in which these regulations have been used and the way in which our people are placed in internment camps. Mr. Sandwell in this article has expressed it perhaps far better than I myself could do, so I wish to continue to quote from his article. He says:

> The issue of an internment order which effectually deprives the internee of his liberty even though the confinement to which he is subjected may not be regarded as a punishment, involves no court proceedings, no notice to the person interned, no pleadings of any kind, and no publicity. The police, armed with the order, which has been issued without the knowledge of the person against whom it is directed, simply call for him and take him away. It is often impossible for his family to find out where he is for a considerable time. His neighbours and the press are not encouraged to be inquisitive about him. It has not yet been possible to procure a writ of habeas corpus against the officials who have him in their charge.

Possibly other hon. members have at different times received letters regarding people who have been interned under the defence of Canada regulations. I do not wish to mention many of these cases. One name which I think has received quite an amount of publicity is that of Sullivan, one of the secretaries of the seamen's union; another is a man named Chapman, another named Charles Murray, all union members and working presumably in the interests of the ordinary people. These men have been arrested along with some 1,500 others, according to Mr. Sandwell, under the defence of Canada regulations. I do not know with what these men are charged; I have no more idea than any other person reading of these things of just what the Minister of Justice (Mr. Lapointe) has decided these men are guilty. But the counsel who has been called in for their defence states that these men have been told that representations have been made that they are communists. That may be true; I have no idea whether it is or not. What I wish to ask at this point is, if there are 1,500 people arrested in Canada under these defence of Canada regulations, have they been told what their offence is? They are held in internment camps without trial. If we are to have democracy in practice and not just as an ideal, any man or woman living under British justice should have the right to know what he or she is charged with and to have a trial by jury. If it can be proved that they are members of an illegal organization, all right, let the jury convict them.

But so far as we know, people to-day are being interned in Canada with no right to a hearing and trial before a court and jury.

There is one thing which I believe is left to them; they have the right to appeal to a reviewing committee. Mr. Sandwell in the same article says with regard to these reviewing committees:

There are only two reviewing committees in all Canada, each of them consisting of one person, an English-speaking person being one committee, and a French-speaking person being the other committee. This is not nearly enough to ensure prompt disposal of all the cases demanding review; and a person detained in error or upon insufficient grounds is entitled to prompt disposal of his claim that he is thus detained.

And here is a point which should be impressed upon everyone:

And further—these committees are themselves the sole judge of the amount of information which shall be communicated to the interned person concerning the charge against him; and the amount of information which they are so communicating in some cases is so infinitesimally small as to make defence literally impossible. In one case—

And I believe Mr. Sandwell is referring here to the case of Pat Sullivan.

—no more definite particulars of the grounds of detention have been obtainable, despite repeated and formal applications by counsel than that "representations have been made that you are a member of the communist party." All that the detained person can possibly do in answer to these "particulars" is to deny that he is a member. He cannot attack the credibility of the witnesses who made the "representations", for he does not know who they are. He cannot offer any alternative explanation of the acts or events which led to the representations, for he does not know what they are. No court would regard this as an adequate statement of particulars for a moment; but no court has any standing in the matter.

It has always been considered the right of a subject under British democratic rule to be considered innocent until he is proved by trial to be guilty. I feel that in allowing the defence of Canada regulations to be enforced in this manner we are allowing one of the fundamentals of democracy itself to be negated. It matters not to me what these men are or who they are, the fact remains that they are British subjects, and as such they should have the protection of the law which democracy and our British justice have always accorded to us. In this connection I should like to quote also from a man who cannot in any sense of the word be called a defender of the communists. This is Colonel Drew, the leader of the Conservative party in the Ontario provincial legislature. Recently Colonel Drew was speaking before the Electric club at its luncheon in the Royal York hotel. On that occasion he spoke in defence of democracy, as I am attempting to do at this time. He also mentioned the fact that under the defence of Canada regulations we people are losing some of the essentials and fundamentals which, if once lost, we do not know can ever be regained. Colonel Drew says:

If we are prepared to shed our blood to preserve democracy, we should try to make it work under stress of war.

He goes on to say:

Nobody can accuse me of being a communist sympathizer or enthusiastic about the C.I.O. But the test of a democracy is not whether the people we like are to be protected, but whether the principles of democracy, including public trial, are to be extended to the very limits.

Then he says this:

All these acts are done under order in council, under dictates. Two weeks ago another order in council was passed saying that any article may be destroyed or retained by a justice of the peace at the discretion of the attorney general, whether a person is accused or not. It is said this referred to bombs. But do we need a law to throw a bomb into a lake? It could refer to books and records and documents. It could take from a man, accused or not, the means by which he could defend himself. This is shocking. It offends every principle of British jurisprudence, and it is time we expressed ourselves about regulations of this kind. It is an 800-year old issue, and the question of the right to discuss it is even older.

Also during these last few months we have found that under the defence of Canada regulations certain people have been arrested merely because they have in their possession literature of a certain kind. Yet freedom of the press is another fundamental of democracy. I know many of us have deplored the burning of books in Germany, and we have said that the German people are going back into the dark ages, when they are no longer allowed freedom to read for themselves and form their own opinions.

It is true that we in Canada have not yet reached the stage where we burn books. But we have already come to the point where under the defence of Canada regulations people have been arrested because they have had in their possession certain literature. Recently in British Columbia a bookstore keeper was arrested under the defence of Canada regulations for having books in his bookstore. I cannot help feeling that any intelligent person in Canada must realize that to form an opinion a person must have access to these various ideologies; he must have access to various schools of thought, because it is only by comparison and by contrast that an intelligent person can come to any decision as to what he himself believes. Yet to-day in Canada, under the defence of

Canada regulations, we are having this certain right severely narrowed and limited. This is one other matter which I feel offers a distinct menace to democracy in Canada.

While I am speaking about literature, I should like to mention something else which is perhaps more of a personal nature, but which I feel is something with which every hon. member should be vitally concerned. During the recess reports were brought to me, in my constituency, that the provincial police were going round the country looking for a certain little leaflet I had had printed. It would have been an easy thing for the police, who know me fairly well—I believe I am known to most people in that part of Canada—to come to me and ask for one of those leaflets. I would have given it to them with the greatest pleasure, because it was nothing but an open letter to the Canadian people giving in condensed form what I had said in the debate on the budget. Instead, however, of asking me for a copy, the police travelled miles and miles through the north country, visiting house after house asking for leaflets, and stirring up in the minds of the people fear and apprehension as to what the leaflets contained, and the danger they presented. This is just one example of how the police are operating to-day under the defence of Canada regulations. It is an example of the way in which they are causing fear among our people.

I took great exception to that procedure. On the other hand I saw no reason for undue alarm because, as I have said, the leaflet contained only a condensed version of the speech I had made in the session. I took no action in the matter whatever. It is quite likely that numbers of people, in deference to the wishes of the police, turned in their copies.

I remember that on the first occasion of my speaking in the house I said I would devote my energies and my time, and speak in the interests and on behalf of the life of the Canadian people. I have consistently spoken and written both in and out of this house in the interests of the underprivileged, the inarticulate and the non-influential among our people, and I shall continue to do so. I find that there are others who have said some of the things I have said. I notice that those in charge of the Toronto community chest campaign have published a little leaflet headed with the word "fight." In it they say the same things I have said repeatedly, namely, that we must fight poverty and that we must fight against subversive influences in Canada; that we must fight malnutrition, intolerance, delinquency, distress, despair, unrest, and so on. I note that the governor general of Canada has said, in connection with the community chests drive, that at this time when our thoughts are on the battlegrounds of Britain we must not forget the righteous claims of our fellow citizens in Canada.

In essence that is what I have always maintained. That is what I have always said to the people in Canada. I find that a little pamphlet like that published by the campaign headquarters is allowed free circulation in Canada. No policeman seeks to blot it out. Why? Because we find that this pamphlet asks for charity. I have never asked for charity for the people of Canada, because I say that is not the solution of their problems.

I have in my hand a pamphlet printed by a newspaper and headed "Democracy must live." It contains a number of the speeches I made in the House of Commons, and also the open letter to the people of Canada, which is nothing but a condensed version of the speech I made in the budget debate. In that speech I did not ask for charity. I said:

> We must demand that no person or corporation or institution makes any profit from this war. We must demand that those with great wealth pay the cost of the war and not we who now can only just manage to live.

There is the difference between this pamphlet and the other one. Yet I am informed that the police have been to the offices of the newspaper company which published this pamphlet. I am informed that they have taken the galley-proof and the available copies, and that men in various cities of Canada who have been selling this little pamphlet have been arrested.

An hon. MEMBER: Shame.

Mrs. NIELSEN: I do not speak as an individual. I speak, as do other hon. members, as an elected representative of the people. If democracy is going to live in Canada, then the other members of the House of Commons have the right with me to ask why the voice of one member of the house should be stilled. It becomes increasingly evident that under the defence of Canada regulations anyone may be accused of being subversive if he speaks or acts against the powers that be in this country. If he says anything against the power of finance or against the power of big business, he may be called subversive under the defence of Canada regulations. In Germany, if it were found necessary to discredit anyone or attempt to make everyone take notice, the cry of "Jew, Jew," was raised. In Canada, if certain people feel that they want to discredit anyone, they do not raise the cry of "Jew," they

raise the cry of "red, red." Jew-baiting in Germany, red-baiting in Canada! These are the things I want to bring to the attention of this house. If we have democracy in this country, these conditions must no longer exist.

As I said before, although Canada is the land of my adoption, England is the land of my birth. I have no fear of these things. It matters not to me what I am called. If I am called "red", that does not affect me. Only one thing which would perhaps break my heart is if in this effort to preserve democracy the common people of this country ever had occasion to label me "yellow".

Some of the trade union leaders have also been labeled "red". I do not know whether they are, but if we have any democracy at all we should safeguard the citizens of this country from things of this kind. They should be given a chance in our courts to be proved guilty or to be exonerated from these charges. I was not in the house at the time it was delivered, but I read a speech which the Prime Minister (Mr. Mackenzie King) made on September 8, 1939. He made some wonderful statements, and I should like to quote him as follows:

> I care not who the individual may be, how respectable in his own eyes or in the eyes of others he may appear, or what position he may hold; if he seeks to profiteer in this crisis he belongs to the underworld and should be treated as one of those who menace all that is sacred in human relations.

If a man seeks to profit in this crisis, he belongs to the underworld, according to the Prime Minister. There are many people who have been interned because they have worked in the interests of the common people of Canada. Yet we have to-day as members of an advisory committee to this government a number of leading industrialists, men who are bound up with the great financial institutions, industries and big business monopolies. They are members of a committee advising the government on its war effort. Through the corporations which they represent these men are making unprecedented profits out of war contracts. Remembering the words of the Prime Minister, I believe it is also well to remember that this government has as members of an advisory committee men who, according to the words of the Prime Minister, belong to the underworld.

There are no provisions in the defence of Canada regulations to take care of such subversive activities. We should not forget the fate of France. There were those who were guilty of the downfall of that country, those who stole her democracy and relinquished it to the dictators, those who imprisoned thousands of French citizens in internment camps and prisons, those who set loose the really guilty ones. I think there is considerable need for the Canadian people to see a parallel of these conditions within our own boundaries.

This evening I want to pay a tribute. Many tributes have been paid in this house to the armed forces, and I have joined in those tributes. But I want to pay a tribute to another army, that army of men and women who are without uniforms, who are without ammunition, who have nothing but the courage of their convictions. They have only the ideals of democracy to which they cling, but they are standing in the front line of the defence of democracy here in Canada. These people are to be found in various walks of life; they hold various political opinions and have various creeds. I hope I may be privileged to stand beside those who are standing in the front line in the defence of democracy. These people have done much to help to keep alive the structure and spirit of democracy, as well as the practice of democracy, which matters more than anything else. In closing I should like to quote a few words from the *Globe and Mail* of October 12, because I believe that in these words is a truth which every Canadian should realize. They are:

> It is the unpopular people who are the first victims of any gestapo. The turn of the more reputable citizens comes next, when, after having acquiesced in injustices being done to people they dislike, they find that their own shield against injustice has been destroyed.

I know there are many to-day who feel that those in internment camps are just communists or agitators. They may be, but as Canadian citizens they have the right to a trial and British justice. If we as Canadians are willing to let them suffer without having justice, who knows how many of us will suffer in the same way in the future? It is not only that we have to stand to-day in defence of what democracy remains to us; the Canadian people must gather their forces, and all those who believe in and are willing to defend democracy must attack the powers of reaction which are stealing the very bulwarks of our democracy from us. They must go after the democracy which has been taken away from us. There must be freedom of speech, freedom of assembly and the right to a just trial. Through these years there have been people who have been willing to defend and fight for democracy. If they are willing to give their lives for democracy, then I feel convinced that democracy will never die in Canada.

Mr. E. E. PERLEY (Qu'Appelle): Mr. Speaker, in rising to speak at this stage of the debate in support of the amendment, I do

so because it provides me with the first opportunity of making a few suggestions to the government and drawing to their attention a matter apart from the war but one which is of urgent importance in western Canada. I think we are all agreed, and it is not necessary to restate it, that Canada's part in this war should be a united one. The day has arrived when petty differences should be set aside. This matter should be looked at from a national viewpoint. I think we all realize that Canada's war effort should be a one hundred per cent effort. May I say here that any achievements or speeding up of our war effort during recent months, such as we have heard of from four members of the government, should not blind us to the fact that our front line is in Britain; or as the Minister of Agriculture (Mr. Gardiner) put it, our front line is in the English channel, on the coast-line or wherever Britain desires to lead us in this struggle.

The Prime Minister (Mr. Mackenzie King), in his statement to the house the other day, gave us his reason for calling parliament together at this time. He said it was for the purpose of giving to the members first-hand information respecting Canada's war effort and an opportunity to make inquiries after we had heard the statements of the government. I think the Prime Minister realized that the press and the public generally were becoming a little restive and wanted to know. Through parliament we are going to let the public know, and after we have had the full story from the government the opposition will be in a position to decide exactly what we should do. I think it is generally agreed that as an opposition we have the right to make constructive criticisms. I think it is also agreed that we cooperated fully with the government during the 1939 session, and we shall cooperate now if the government shows its desire to have our cooperation by giving parliament all the information it should have.

May I say to the private members supporting the government that they have just as much responsibility as we in the opposition have to see that the government gives parliament the facts, and wherever possible to give the government support in its war effort. We should, however, have first heard from all the ministers, instead of having all this in-between stuff. We should have been given a clear-cut statement of what Britain has asked of Canada. Who knows yet what Britain has asked of Canada? What did Britain ask of us in September, 1939? What did they ask Canada to do in July, 1940? What are they asking Canada to do to-day in the matter of men, armaments, munitions and food? When we have received a clear-cut statement of what Britain is asking us to do, we shall be in a position to judge whether Canada's war effort is the very best of which Canada is capable.

The Prime Minister, in his address to the house the other day, quoted statements that had been made to the British house thanking Canada. That was quite all right. But still we do not know what Britain has asked Canada for. We do not know what they desire as our maximum effort, so to speak, and I think we should be told.

The Prime Minister also mentioned the cost of the war. I do not think this is the stage to go into that because there will be an opportunity to discuss the cost on the budget. To illustrate the seriousness of the war and the great responsibility of the government, the Prime Minister related that at a cabinet meeting one day the government passed war contracts to the amount of $200,000,000, which was quite an order. Here is where the Liberal members sitting behind the government could strengthen its hands if they would only join with the opposition more and insist on a non-political, business-like executive body being set up with authority to direct and coordinate Canada's war supply programme. That is their duty just as much as it is ours. We have boards, missions, commissions and committees, and information is being given to the public with respect to all contracts let, but the volume is so large that I for one cannot begin to analyse or check them, nor do I think any member of the house can. Contracts are being let by the thousand, and we know of sub-contracts being let by the thousand, too, so that it is impossible for us, no matter how much we as members of the house would like to check them, to keep track of them all.

We hear at times of favouritism, patronage and waste. I have heard it from the boys in uniform who have gone from western Canada down east and come back home, and I have heard it from men not in uniform who were employed on construction contracts. These men come back home from time to time and tell of waste and a few other things that are going on which I think should be corrected. I am not going to be too critical of the government or of any minister in that regard, because I do not think it is humanly possible for any minister to keep track of all that goes on.

The Minister of National Defence (Mr. Ralston) and the Minister of National Defence for Air (Mr. Power) gave us a fair and clear-cut statement of the activities of their departments and showed that they

are anxious to be fair and reasonable in meeting criticism and giving us information. I repeat that I am not charging any minister for some of the things we sometimes hear are going on, for all parties are cursed with a certain class of people who are bound to bring in patronage, favouritism and things of that kind.

One request has been made which I should like to support and that is free transportation and Christmas leave for the soldiers. I do hope the government will take into consideration the suggestions that have been made in that regard. Many of the men are far from their homes and the distance across Canada is great, but I hope the government will do the very best they can and give the boys who are a long way from home a chance to get back for Christmas.

We have heard now from four ministers. We are all agreed that the war is the paramount question before parliament to-day; nevertheless there are certain domestic problems that are second only in importance to the war, and of such importance that they should be dealt with by parliament now at this session.

We have heard from the Minister of Agriculture. He was the first to go to bat, and his speech may be divided into three parts—introductory; his achievements with respect to the agreements overseas; and thirdly, an account of his trip. I certainly enjoyed listening to his description of what he saw in Britain and his account of the fine spirit of the British people and their firm resolve that they are going to go on until they have won this war. It was splendid to hear the minister describe the spirit of the people he had seen there. I think we were all a little more British after listening to that part of his address.

But I regret exceedingly that in the first part of his speech he ran true to form, just as we have heard from him on former occasions. I say that the first fifteen minutes of his speech was uncalled for, and not becoming to a cabinet minister or one seeking the leadership of a great party. This has happened before; I believe this was the second occasion on which he pulled off the same thing. I do not think the people of Canada appreciate or are looking for that sort of thing at this time. The minister abused the leader of the opposition (Mr. Hanson) and the leader of the Cooperative Commonwealth Federation (Mr. Coldwell)—

An hon. MEMBER: They looked for it.

Mr. PERLEY: No, they did not look for it. It is their right and privilege to offer constructive criticism. The amendment is constructive, and the leader of the Cooperative Commonwealth Federation also offered constructive suggestions; I venture to say that two-thirds of what he advocated will be adopted by this government within the next eighteen months. I do not think hon. members have to stand for that sort of thing.

The minister went on to refer to the election last March, and cited his own case in particular. I can tell him that if the third candidate had dropped out two days before nomination day, Mrs. Lucas would have been sitting over to my left representing the constituency of Melville. It was the Liberal machine, efficient and well-oiled, that helped to win that election; I might mention such things as dug-outs in his own constituency and telegrams circulated promising bonuses which in some instances never were paid. Just to indicate what really brought about that election result, I should like to refer to the auditor general's report for last year, tabled in this house within the last few days. For the information of all hon. members I should like to quote from page 61 of that report, where the auditor general deals with the administration of the Prairie Farm Rehabilitation Act. He says:

> Commitments of approximately $1,315,575.20 were incurred in excess of the amount appropriated without certificates of the comptroller of the treasury being secured. . . .

Of that amount the auditor general goes on to say that small projects, such as dug-outs and so on, accounted for $909,553. On the next page he deals with contracts let under this legislation, and says:

> The contract with the Northern Wood Preservers, authorized by P.C. 223 of January 31, 1939, provides for the purchase of not less than 400,000 and not more than 500,000 posts. Payments to the company are, by the agreement, to be made after inspection, three cents per post being withheld to secure the subsequent loading. As of March 31, 1940, payments had been made on 494,883 posts—

That was practically the maximum amount authorized.

—but only 188,600 had been delivered.

Then on page 66 we have the report with regard to the Prairie Farm Assistance Act, which is the bill under which the bonuses are paid. I should like hon. members to listen carefully to this statement:

> Several awards were made by the minister covering yields not accepted by the committee. Farmers were not required to make applications for assistance. . . . Awards have been made on summer-fallow acreage where in many cases the summer-fallow exceeds the seeded acreage. A limited test audit showed that of the total cultivated acreage approximately 35 per cent was in summer-fallow.

And again:

Payments have been made in many cases where the cultivated acreage was too small to put persons in the category of farmers.

And again:

Payments have been made to persons who, in no sense, were grain farmers—

That is what has been going on under this branch of the Department of Agriculture. I appeal to hon. members to see to it, when the estimates are under consideration this year, that some direction is given that this sort of thing must stop in Saskatchewan. This is the third auditor general's report to condemn the actions of the minister. I have brought the matter to the attention of the house previously, and I do so again now. This sort of thing should not be permitted, and hon. members are not hon. members if they do not do something to stop it.

The minister stated that the government had spent millions to help the farmers of the west, and mentioned what had been done by way of increasing the storage facilities for grain. I say that assistance should have been given directly to the farmers and not to the grain trade. I should have liked time to recite how the annexes being built to accommodate twenty-five or thirty thousand bushels will be paid for in three months on the basis of the storage charges being collected. I say these storage charges should be readjusted, because this is very different from grain storage in a regular terminal elevator.

The minister's statement contained nothing definite with respect to wheat, nor did it hold any immediate promise of relief for the wheat grower. As reported at page 101 of *Hansard* the minister told us what wheat we might expect to sell during the next five years, a total of 2,080,000,000 bushels. This includes 160,000,000 bushels a year to the United Kingdom, 160,000,000 bushels a year to other countries provided the war progresses as he hopes or is over, and 160,000,000 bushels annually for domestic consumption. The last figure is a little high, I am afraid; the domestic consumption at present is only about 110,000,000 bushels annually. I would say the minister is an optimist, but I am going to agree with him in very large measure. I have always been an optimist with respect to our large wheat surplus. I never worried very much about it in Mr. Bennett's time, in 1934 and 1935, when the situation was similar to that which exists at present. I can recall, however, the minister and other members of the house going up and down Saskatchewan at that time saying that Mr. Bennett was hoarding wheat and not selling it, and criticizing us for taking money from the treasury to carry this tremendous load. They also said that Mr. Bennett's policy was one which would bring about the control or restriction of production. Well, I think the minister is pretty nearly right in his estimate; I think he will get rid of his wheat, but I would like to see him courageous enough to fix the price, as we did under similar circumstances in 1935, at 87½ cents.

I am not going to say anything with regard to the control of production. I am a little hesitant about offering any suggestions, because any suggestions I have brought forward on the floor of this house during the last two or three years have been ridiculed by the government, although it is some satisfaction to know that almost all of them have been subsequently embodied in the legislation that has been brought down. If the minister is interested in a proposal I made with regard to the control of production, he might look up *Hansard* for 1934.

The minister comes to the house without anything for the butter producers, although he has something for those producing cheese. What about bacon? Perhaps his statement was a little previous. He spoke of the greater quantity we might ship, but he added, "I cannot divulge the price." Well, it happened that the head of one of the leading Canadian packing plants was in this city, and, I believe, in one of the galleries of this house, the day the minister made his statement, and the price was set the next day. Was that just a coincidence? Why could the minister not have said, "Well, we will have to take a lower price, boys, but you can produce all the pork you like and they will take it." I am afraid there was not very much in his speech for the hog producer. I do not think the minister needed to go to England at all. I believe it would have been sufficient if he had sent the chairman of the bacon board. It seems to me that if the minister's trip cost this country even a dollar, that was one dollar too much, for nothing whatever was accomplished that could not have been accomplished by negotiation with the representatives of the British authorities right here. Let him tell us what he accomplished over there that could not have been achieved by negotiation. He said further that the producers must supply and expect only sufficient to carry on. Let me quote from page 97 of *Hansard:*

I think it is our duty to place the food supplies available for empire consumption at the disposal of the empire through the food and shipping ministries of Britain, to be directed to any market they think advisable. I think we should receive in return from the British government for these supplies sufficient to make it possible for our farmers to carry on producing food supplies.

The statement is that the farmers are expected to produce as long as they receive sufficient to carry on. May I ask, then, why it is necessary to have the grain exchange remain open? As regards carrying on at cost of production, let me say that our farmers are just as patriotic and are just as much in this war as any other class of industry or any other section of the community, and all we want for them is a fair price, a price comparable with that which industry is receiving for what it produces of the commodities that farmers have to buy.

Take an eight-foot binder. I recall a statement made by the minister last year with regard to the binder used on his own farm. In 1913 it took 260 bushels of wheat to buy that binder; in 1936, since this government took office, an eight-foot binder cost 300 bushels odd; and to-day the same binder costs 630 bushels. What we want is a comparable price, a price that will be fair and equitable, so that all classes will be making about the same sacrifice. Then the farmer will produce at any cost.

Last fall, after the house closed, the minister made a trip to the west. He said that the growers might expect a much better price for the 1939 crop if the war got no worse or if it should end at any time, and he definitely advised the farmers to increase hog production. He made another trip a little after that, and I have the report of the interview that appeared in the Regina *Leader-Post*. In large headlines, the statement was attributed to him that the wheat policy announcement might not come until November 1. November 1 was the day the farmer paid his threshing accounts; that was the big day he settled his accounts, and that would be the day on which the government would announce their permanent wheat policy. He must have had in mind this trip overseas. However, the Minister of Trade and Commerce (Mr. MacKinnon) paid us a visit about that time, and a few days later, in the Regina *Leader-Post*, there appeared a statement in which that hon. gentleman declared that December 1 would be the big day, and he said he had been advised that the general wheat delivery quota could be fixed for the first week in December. December 1, then, was the big day. I suggest that these two ministers should get together on the announcements they make with respect to this one department of government.

It is quite apparent that the Minister of Agriculture is in more than an advisory capacity. He is head of two other departments, agriculture and national war services, and to a great extent he is manager of public works—he steps in there. If we look over the situation we find that he is pretty well running about four departments of government. I agree with the hon. member for Rosetown-Biggar (Mr. Coldwell) that it is time the Minister of Agriculture paid special attention to one department and one only. The producers, he says, must not be pessimistic. Let me say this. In western Canada there is an emergency situation that calls for immediate action. It has come about from one or two causes. I am not going to charge the government with responsibility for the first cause, namely, the loss of a certain amount of the European market where we enjoyed an export trade of 100,000,000 bushels. We have lost that and I am not going to charge the government with responsibility for it; nevertheless that has made the situation more serious. It has become a national problem and one that must be considered as such by this government. It is this government's direct responsibility.

When the war broke out, there were certain problems that were unsolved in Canada. There was the problem of scarcity in the midst of plenty, about which we have heard so much from our friends in the corner to my left; there was the problem of a reasonable standard of living for the Canadian people; there was the problem of parity of prices; and there was the problem of production. These questions are all on the government's doorstep and they have not been courageously dealt with. They must be settled immediately. One cause, then, has been the loss of markets; the other cause is the failure of the government to handle the situation in a constructive, courageous way.

Hon. members will recall that on June 27 last I tried to move the adjournment of the house for the purpose of discussing this all-important public question of wheat, but my effort was frustrated. It was apparent then, however, what was going to happen, and it did happen. I was ruled out of order and nothing was done. Certain bills were rushed through in the last day or two of the session, but no adequate picture was presented to the house.

I contend that we must have action immediately because an emergent situation does exist, a situation that has come about as a result of lack of cash in circulation in western Canada from the crop as compared with what we had in 1939. There is some misunderstanding with respect to farm conditions in the west. We normally market up to the first of November about 75 per cent of the crop. This year by the first of November we had marketed 205,000,000 bushels, whereas last year, on the first of November, we had marketed 312,000,000 bushels. That means, at the same

price—70 cents, netting 50 cents to the farmer —that there was from $50,000,000 to $55,-000,000 less in circulation in western Canada on the first of November than there was at the same time last year. The eight-bushel quota, 50 cents, average, pays only current taxes, cost of harvesting and cost of labour. The merchants have not been paid and their position is desperate. Winter is coming on and the farmer has no surplus money to provide fuel or clothing. Things are at a standstill.

I am going to offer a suggestion, because there have been many complaints since last August, since this situation came about, and suggestions have been offered to the government. But see what has happened in Manitoba. The Hon. Mr. Bracken out there has been calling conferences; he has had representatives from all parts of the west meeting with him, and I think he has made suggestions to this government. Evidently they have not listened, and hon. members know what has happened out there. He is going to be down here in a few days, and we had better adjourn pretty soon or he will be here before we get back west.

I have made certain suggestions; the government, while they did not at the time accept them, generally do in the end. Therefore I am offering this one now in the hope that they will act on it, and do so quickly. It is this: to increase the initial price. I want hon. members from western Canada to think it over. They know the situation out there. What more can the government do to relieve this agricultural situation right now? The winter is here. Increase that price to 87½ cents, or 90 cents would be better—

An hon. MEMBER: Make it a dollar.

Mr. PERLEY: No, I am not one of those who talk bosh; I am saying what is reasonable. What can this government do to relieve the situation? They can increase this price and make it retroactive to August 1, 1940. That would start about $40,000,000 in circulation at once. But it will all come east. Merchants there are cancelling their wholesale orders, refusing their drafts, but this would start money in circulation. If the government do not do this, they will have to do something which will cost just as much in the end.

In making that suggestion I go further. I am going to show how they can get that and how they can save it. First, on the ordinary expenditure in the next fiscal year they can save at least $30,000,000. They can save under the Prairie Farm Rehabilitation Act, if they cut out some of the stuff, at least $2,000,000. The minister told us last year he was going to cut out $700,000, but he went beyond his authority, he had to stretch it and overspend to the extent of $1,300,000. The government services could be cut so as to save $5,000,000 all over Canada; the overloaded civil service could be reorganized, and $5,000,-000 saved there. Then the grain exchange could be closed and we could make a saving there of commissions and brokerage fees paid to that organization for which they are not giving a single dollar's worth; at least $1,000,-000 could be saved there. They can save $15,000,000 in storage fees paid on grain now in elevators in western Canada, in these annexes, space offsight as they call it, drawing two-thirds of a cent a bushel a month, and paying for the space in three months. That should be readjusted. Then we should stop paying storage in box cars. And the government should take full charge of the whole grain marketing system in western Canada, including coarse grains and all, as the hon. member for Rosetown-Biggar suggested.

If I had time I could outline how a very great saving could be made to the individual farmer right now. The hon. Minister of Mines and Resources (Mr. Crerar) I venture to say has heard about it; stop this racket that is being perpetrated on the western farmer this year more than ever before in the last thirty years. Hon. members have been sitting here for thirty years trying to devise a scheme whereby the farmer would get a fair deal in marketing his wheat. We spent a month amending the grain act the last year that Hon. Doctor Motherwell sat in this house. After all that, there was perpetrated this year the greatest racket by way of storage fees, dockages, undergrading and the like, that there ever was. I have samples from the constituency of the Minister of Agriculture; I have sent samples to Ottawa and to the grain inspection at Winnipeg, and have had different grading on the Winnipeg ones—"they have not authority to grade it here"—from that they are giving at the interior elevator. I have in my room samples graded No. 3, and No. 3 rejected; I would like the minister to come and look at them. There is a racket being practised there that should be stopped. There is only one way to do it, that is for this government to have the courage to do it. It is an outrage on the farmers of western Canada to permit it to go on.

Let me now deal with the bankers for a moment. The question of advancing money on wheat on the farm has come up and will come up. If the government did what I suggest, increase the price, with the storage paid to the farmer on the farm, then the

bankers should be told by this government that it is time for them to get into this picture and do their share to relieve that situation by reasonable loans. If the price were around ninety cents and storage paid on the farm at two-thirds of a cent a bushel a month, the bankers should be told to make reasonable advances to the farmers and if they do not, this government should talk to them. The farmer sells his grain to the elevator and the elevator has the power under the grain act to hypothecate the wheat to the bank and get on the wheat the money that he pays to the farmer for it. I would say to the banks, the farmer can hypothecate his wheat in his bin, and you make these advances, or we will take steps to see that you do, or do something with respect to amending the Canadian Bank Act. The government can do a lot of things if only they have the courage.

Suggestions have been made with respect to stopping the importation into Canada of agricultural products; pork products were instanced by the hon. member for Peel (Mr. Graydon).

Then I would refer for a moment to domestic freight rates. The government can do a great deal for the farmers by readjusting those rates; this pork production means that our coarse grains should be coming east in greater quantities, as they would if the freight rates were adjusted.

My time is almost up. I appeal to this government to take action immediately along the lines I have suggested. By doing so they would give a measure of justice to the farmers of western Canada. We are all behind the government in doing anything at all to put this industry in its proper place. The farmers are patriotic; let us deal with them in such a way that they can go hand in hand with us; the effort that Canada is putting forth at the present time will be of such a character that we shall emerge with democracy saved, and liberty and justice preserved, and we shall be first in the great commonwealth of British dominions. The Canadian farmers will do their part.

Mr. F. P. WHITMAN (Mount Royal): Mr. Speaker, may I at the very outset of my address add my word of congratulation to the mover and the seconder of the address in reply to the speech from the throne. The hon. member for St. Lawrence-St. George (Mr. Claxton) is to be congratulated upon the thoughtful address which he delivered and upon the dignified and able manner in which he delivered it. The electors of St. Lawrence-St. George may well be proud of having sent such an able debater to the House of Commons. He presented a keen and analytical study of the policy of the government and set forth in a clear and precise manner the praiseworthy efforts of the Prime Minister (Mr. Mackenzie King) and his colleagues at this critical time. The house owes the hon. member a debt of gratitude for so ably presenting to us this policy as it has been unfolded up to the present time.

The hon. member for Provencher (Mr. Jutras) in his dignified manner has also proven to this house and the country that youth is no deterrent to a man's capabilities. His clear, concise address and dignified delivery in both French and English must be appreciated by all hon. members and by the people of Canada. It augurs well for the future of our country that we have young men so well qualified to enter our houses of parliament as these two hon. members.

During this debate much has been said which reflects upon the government's war effort. It is frequently pointed out that criticism can easily be avoided. It can be avoided by the man who does nothing. It can be avoided by the man who says nothing; for naturally, if a man does or says nothing, there is nothing to criticize. The consequence would be: Do nothing, say nothing and be nothing.

As I said a moment ago, much has been said by his majesty's loyal opposition which tends to criticize the government's war effort. That criticism in itself, be it vicious or otherwise, indicates that the government has done things. From actual observation, I believe that members of this government can say with pride, that from time immemorial there is not on record in history a single government which, during such a short period of time and with so small a population has executed such a colossal and successful war effort as has this government. I do not believe more could humanly have been accomplished. There has been no indication at any time or by anyone of any single, additional thing that could have been done. The loose and irresponsible suggestions that are put forward by those in responsible positions make us more than thankful that we have a government with such ability, as well as wisdom, foresight and acumen, to be able to separate the wheat from the chaff.

Not only on the floor of the house but at non-political meetings during the recess following the last session I have heard of unjustified criticism not only of this government but of our neighbour to the south. It is dangerous by innuendo or otherwise to

reflect upon the actions of a friendly government, and I believe that part of a speech delivered on September 2, Labour day, in Toronto by the leader of the opposition (Mr. Hanson) could well have been left unsaid. I regret he is not in his seat to-night.

Mr. HOMUTH: Go right ahead; it is all right.

Mr. WHITMAN: I refer specifically to the statement reported to have been made by the leader of the opposition, in which he said that the Ogdensburg meeting between the Prime Minister (Mr. Mackenzie King) of Canada and the President of the United States was made in part with the idea of ensuring the president's reelection. If such a speech were made, I believe that the best interests of the British empire were not served. I believe that any speech or word that tends to weaken friendly relations which exist between the British empire and other democracies is dangerous and unpatriotic.

It is further reported that in the same speech the leader of the opposition stated he was not unaware of the attitude in the past of our Prime Minister toward the United States. I am glad the leader of the opposition is aware of the attitude of our Prime Minister toward the people of the United States. I hope that all hon. members are aware of that attitude. I hope that that attitude is made clear to every Canadian citizen from the Atlantic to the Pacific. I will go farther. I wish that attitude could be made clear to all the nations of the world. It has been one of friendliness and cooperation, and had it been followed by the nations of Europe we would not now be embroiled in this most beastly and horrible war. If the attitude of our Prime Minister has resulted in nothing more than a cementing of the friendship between the United States and the British empire, then it is my considered opinion that he has done more than any other living man for the British empire.

Among the criticisms levelled at the government mention has been made of the inefficiency of the government's mobilization act which was passed at the last session of parliament. Criticism of this kind is puerile and discloses a lack of understanding of its purpose and its effect. Allow me by comparison with the Military Service Act of 1917 to indicate the difference in effect of the two acts upon Canada as a nation. The Military Service Act of 1917, adopted by the then union government, actually disunited this country, while the effect of the mobilization act of 1940 is consistent with the government's policy of building and maintaining a united Canada.

The whole country from the Atlantic to the Pacific is responding nobly because of its realization that the mobilization act of 1940 has been passed with one object in view, namely the training and preparation of our man-power. It has been designed for our self-preservation and for the preservation of our democratic institutions.

Mr. HOMUTH: Why have they changed it?

Mr. WHITMAN: By way of further criticism we have heard it said that our factories are not yet producing rifles, ammunition, uniforms, boots and other equipment required by our troops. I would place this unwarranted criticism under the heading of either lack of information or the desire to misinform.

With respect to the production of guns in Canadian factories I received a bulletin on October 17 stating that we in Canada were about to produce some of the largest naval guns produced in the British empire. That statement was reported to have been made by a minister. On October 21 a correction came to me saying that the minister had stated that naval guns were shortly to be produced in Canada in a factory which was one of the largest in the British empire.

I respectfully suggest that a copy of this correction should be mailed to the leader of the opposition, because apparently his copy has gone astray. I recall clearly that during the last world war the training of the third Canadian division artillery in Canada was accomplished without any weapons whatsoever. In fact we did not touch a piece of field artillery until we reached England, and only two and a half months before we landed in France on active service. Our complete training in Canada consisted of adapting ourselves to military discipline and getting ourselves in good physical condition. Notwithstanding this, the division wrote history by their loyalty and valour. Canadian troops seemed to adapt themselves to any position in which they found themselves in the last war, and I have every confidence that that old tradition will be lived up to by the present army. So we see just how unwarranted criticism of the kind I have indicated may be, when we realize that within fourteen months of our entering the war we are operating on a colossal war-producing basis. We are producing practically all the instruments of war, to say nothing of the fact that we are making Canada the hub of the empire's training scheme.

May I respectfully add my plea to that which has been made by other hon. members respecting the proposal that the government

supply free transportation to and from their homes, as frequently as possible, to members of our active service force and our non-permanent active militia.

Mr. SPEAKER: I must remind the hon. member about the rule which does not permit the reading of speeches. I have mentioned that rule earlier in the debate. I do wish the hon. member would obey that rule. It is there and it must be observed.

Mr. WHITMAN: I think all hon. members are well aware of the importance of home ties to our men who are proceeding overseas. I feel I would be lacking in my duty if I did not add my voice to those already raised in asking the government to give this matter their earnest attention.

There is another matter which has not been brought up by any previous speaker and which, I believe, is quite praiseworthy. I refer to the evacuees from Europe and the British isles who have been coming to Canada. The humanitarian efforts which have been put forth by the government and the civil service are most praiseworthy, and I should like to add my congratulations to the government upon making this possible. As I go through my riding of Mount Royal daily, I meet many evacuees, and they are all pleased to be in the country and most thankful that they have been given a haven of refuge.

This brings up another matter, the increase in industry which has taken place because of this evacuee movement. I would mention the Bata shoe company which was brought to Canada by men of capital in Czechoslovakia. I cannot give the exact statistics, but I know that several other industries have located in this country and are now giving employment to thousands of Canadians. Industries have been set up where there were no industries before, and all this is the direct result of the splendid efforts put forward by our government to take care of these refugees from Europe. This dominion is growing and it will continue to grow. Never in its history have commercial and industrial strides been so great as those which have occurred in the last twelve months. I think the Prime Minister and the government are to be congratulated upon having facilitated this movement.

We see that things are going along fairly evenly at this critical time. Futile and vicious criticism does not help our war effort, nor does it tend toward unity. At this time unity in Canada is of paramount importance. I know that all members of the opposition will agree that even though it may not serve the best interests of their parties, it would be morally wrong for them not to accept the dictum that unity for Canada should be the watchword to-day. If it would be morally wrong for them not to accept that dictum, then it cannot be politically right. The great Irish statesman Daniel O'Connell said that nothing is politically right that is morally wrong. This is the time of sacrifice, political and otherwise. Unity must prevail. Nothing must be done by any individual or group of individuals that will interfere in the minutest degree with our struggle for self-preservation. Nothing would be more dangerous than unwholesome or thoughtless criticism, or the throwing of questions at the government with the single object of embarrassing them.

Let us all be mindful of the philosophy of the well-known philosopher who said that a few drops of oil will set the political machine in motion, whereas a ton of vinegar will only corrode and canker. Let us keep oiling the machine and see that no one attempts to corrode and canker our war effort. This is the time for extreme trust, collaboration and unity. It is not a time for mistrust, prejudice and disruption. No finer words have been uttered than those uttered on the floor of this house by no less a personage than that great Liberal leader and philosopher, the late Sir Wilfrid Laurier, who said: "Love is better than hate, truth is better than falsehood, trust is better than suspicion."

On motion of Mr. Macdonald (Kingston City) the debate was adjourned.

On motion of Mr. Macdonald (Kingston City) the house adjourned at 10.20 p.m.

[Mr. Whitman.]

Tuesday, November 19, 1940.

The house met at three o'clock.

NATIONAL DEFENCE

ENROLMENT FORM SIGNED BY RECRUITS UNDER RESOURCES MOBILIZATION ACT

On the orders of the day:

Mr. MAXIME RAYMOND (Beauharnois-Laprairie): Mr. Speaker, I should like to ask the Minister of National Defence (Mr. Ralston) whether those who have been called up for training under the National Resources Mobilization Act are obliged to sign any document or form, particularly one with the following heading:

Militia Act
National Resources Mobilization Act, 1940
Enrolment
Non-permanent Active Militia of Canada

I hold in my hand a copy of this form, and I shall send it along to the minister. I should like also to know if those who have signed such a form or document are under any obligations in addition to those arising out of the National Resources Mobilization Act. My information is that those who were called for training in October last were asked to sign a form similar to the one I have sent to the minister.

Hon. J. L. RALSTON (Minister of National Defence): My hon. friend was good enough to tell me that he was going to ask this question and I have had the regulations looked up. I have prepared an answer which I think will give the information quite fully.

It will be remembered that under the militia (special) regulations, 1940, those who were called for training automatically became members of the non-permanent active militia. There is a provision in the regulations that the recruit shall sign in triplicate a special enrolment form, copy of which is attached to the regulations. It is a copy of this enrolment form which my hon. friend has just sent to me. I would point out that this enrolment form simply contains personal particulars of the man, such as his name; his address; his place of birth; his date of birth; his religion; his next of kin; his physical description such as height, weight, colour of eyes and colour of hair; and his preference, if any, for naval, military or air force service. If the man refuses to sign, it is provided that his commanding officer may fill in the answers in so far as he can get the information, and the form bearing the signature of the commanding officer has the same effect as if the man had signed it himself.

My hon. friend asks whether or not the signing of the form changes in any way the obligations which the recruit has under the National Resources Mobilization Act. I can say to him that the enrolment form, whether signed or not, does not change in any way the obligations of the recruit under the National Resources Mobilization Act. As I have said, he is a member of the non-permanent active militia and the regulations provide expressly that so long as he remains a member he is liable to the performance of such training service or duty—I quote now—"but only within Canada and the territorial waters thereof" as the Minister of National Defence may require from time to time.

In addition to the enrolment form being useful for the purpose of furnishing personal particulars of the man and indicating the type of service which he prefers, it is stamped with a certificate of training. It is expressly provided in the regulations that the first copy shall be sent to the officer in charge of the records, the third copy shall be sent to the militia unit to which he has been posted, and the second copy shall be delivered to the recruit as evidence of his having performed his training.

Let me repeat, first, that the signing of the form does not in any way increase the obligation for training service or duty under the National Resources Mobilization Act, which can be required only within Canada and the territorial waters thereof; and, second, that the form serves only to verify the personal particulars regarding the recruit, the second copy, when stamped with the certificate of training, provides him with evidence of his having performed his training.

DEFENCE OF CANADA REGULATIONS

REFERENCE TO ARTICLE IN "CANADIAN BUSINESS" ADVOCATING THE ADOPTION OF COMMUNISM

On the orders of the day:

Mr. NORMAN JAQUES (Wetaskiwin): Mr. Speaker, I should like to ask the Minister of Justice (Mr. Lapointe) if the attention of the government has been drawn to the article entitled "The U.S. and Us" appearing in the October issue of *Canadian Business*, advocating the adoption of communism in Canada. If so, has the government taken steps under the defence of Canada regulations to prosecute the author and the publisher for the writing and publication of this article? Has the government taken any action to declare the Canadian Chamber of Commerce an illegal organization for supporting the principles advocated in the article?

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, I received my hon. friend's notice too late to be able to secure a copy of the publication, but I shall not fail to do so in order that I may be in a position to give him an answer. If the matter comes under the censorship regulations it will be the Secretary of State, of course, who will have the responsibility, not myself. Meanwhile I must say that I should be surprised if the Canadian Chamber of Commerce or the Canadian Manufacturers' Association had turned bolshevist.

KING'S REGULATIONS AND ORDERS

PUBLICATION IN CANADA GAZETTE—AVAILABILITY OF AMENDMENTS

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, supplementing the question asked by the hon. member for Beauharnois-Laprairie (Mr. Raymond), I would

ask the Minister of National Defence (Mr. Ralston) if all the amendments that have been made to the king's regulations and orders since the beginning of the war have been published in the *Canada Gazette* with the forms relating thereto; and second, if a member of parliament asks for a copy of the amendments to date of the king's regulations and orders will his request be granted or refused?

Hon. J. L. RALSTON (Minister of National Defence): In reply to the first question, so far as I am aware all the amendments to the king's regulations and orders have been published in the *Canada Gazette,* but I shall endeavour to verify that.

Second, with regard to the presentation of a copy of the king's regulations and orders to my hon. friend or to members of the house, I shall have to make inquiries because I am not familiar with the terms under which they are issued. It may be a matter for the king's printer; I do not know. I can assure my hon. friend, however, that steps will be taken to see to it that in whatever way the orders and regulations are made available to members the amendments will be included therein.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Monday, November 18, consideration of the motion of Mr. Brooke Claxton for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Hanson (York-Sunbury) and the amendment to the amendment of Mr. Blackmore.

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Mr. Speaker, to-day I shall endeavour to tell the house something of ships and sailor men, of the ships of the Royal Canadian Navy and of those men who go down to the sea in ships and do business in great waters.

Hon. members will recall, I am sure, that in the latter days of the last session, at a time when I had not the honour of a seat in this house, my colleague the Associate Minister of National Defence (Mr. Power) gave to the house an account of the growth and strength and accomplishments of the Royal Canadian Navy. That story was told by my hon. friend about four months ago. I shall endeavour now to continue that exposition and to add to it such new material as the intervening period of time warrants or requires.

I should like first, Mr. Speaker, to deal with the composition of the navy. The personnel of our navy may be classed under three heads. First there are the men of the Royal Canadian Navy itself. This class consists at present of 253 officers and 2,429 men.

Next there is the group known as the Royal Canadian Naval Reserve. This group, as many members know, is made up entirely of seafaring men, drawn from the merchant service and other seagoing pursuits, and it consists now of 486 officers and 2,670 men.

Finally we have the Royal Canadian Naval Volunteer Reserve, a reserve which for some years has existed in eighteen different centres throughout Canada. It corresponds roughly to the militia of Canada, and it is to a large extent the training ground for officers and men who wish to join our naval forces at this time. The Royal Canadian Naval Volunteer Reserve has a strength now of 881 officers and 6,554 men.

That gives a full strength in the Canadian navy, in all its three branches, of 1,620 officers and 11,653 men, or a grand total of 13,273, all ranks.

All these men are on active service. At the beginning of the war the number of men on active service in the Canadian navy was 1,774, so that in fourteen months we have increased the number of men on active service nearly eightfold.

These 13,273 men on active service with the Royal Canadian Navy have been drawn from the three branches of the navy to which I have referred. They are to be found in widely scattered lands and seas, all accepting equal responsibility and danger, whether they are with the Royal Canadian Navy, the Royal Canadian Naval Reserve or the Royal Canadian Naval Volunteer Reserve, and all striving together in one service for the same great end. Some of these men are on Canadian destroyers, others are on armed merchant cruisers, and still others on patrol vessels, mine-sweepers or in supporting establishments. No fewer than 798 young Canadians are serving in Great Britain or in British ships. This number includes Royal Canadian Naval Volunteer Reserve officers training with the British navy, officers lent to the Admiralty for special service, officers and ratings serving on British convoy staffs, Canadian cadets training in England, and the like.

In addition to the number I have given, there are in the Royal Canadian Naval Volunteer Reserve 81 officers and 1,033 men who are in reserve and not yet called up for active service. When you add these last

figures to those that I first gave, you get a total Canadian naval personnel of 14,387, all ranks.

The second element in the composition of the navy is, of course, ships. The number of ships in the Canadian navy now stands at 155. These include various types. We have armed merchant cruisers, we have destroyers, we have corvettes which can be used for general patrol work, for anti-submarine work or for mine sweeping; we have mine sweepers; anti-submarine vessels, motor torpedo boats, together with various other types of auxiliary craft. The figure of 155 vessels now in the Canadian navy represents a tenfold increase over the 15 vessels of various types that we had at the beginning of this war.

I turn now, Mr. Speaker, to the duties of the Royal Canadian Navy. The duties of that navy may, I think, be classed under three heads: First, convoy work and control of the movement of British merchant shipping to and from north America. Second, the patrolling of our own coasts. Third, cooperation with the British navy in European and other waters.

Convoy work is undoubtedly one of the most important duties which the Royal Canadian Navy performs. Under the system now prevailing in our great ports, merchant ships are assembled, grouped together and escorted across the Atlantic in cooperation with the Royal Navy. From our ports in Canada since the outbreak of the war no fewer than 3,500 ships have departed, and in these ships 21,000,000 tons of cargo have been carried over the sea.

In addition to providing escort for cargo or merchant ships, Canadian naval vessels have escorted troop convoys to England and to other areas; and I am glad to be able to say that not a single one of these troops so escorted has been lost at sea as a result of enemy action.

With regard to the escort of cargo ships, I should like to say here that, in spite of enemy claims, which have been particularly exultant and exaggerated in recent weeks, the convoy system is still functioning efficiently and, one might say, without serious interruption. Recently the enemy has increased his efforts to interfere with the passage of goods over the seas of the world to Great Britain, but it may be said with the greatest assurance that these efforts have not approached in their violence or in their success the attacks upon merchant shipping in the last war. I may tell the house, for I see no reason why it should not be told, that in the last week for which I have official figures, a week which falls within the last month, 775 ships in convoy reached British ports, and in that same week only 5 convoyed ships were lost. That is a percentage of about three-quarters of one. In the last week for which I have figures of cargo tonnage, a week which also fell within the last month, 1,129,000 tons of cargo were imported into England—cargo which came over every sea. In spite, therefore, of enemy claims, we may rest assured that the British navy, associated with the navies of the dominions, is still performing vigilantly and valiantly and successfully its time-honoured function of keeping the ocean lanes of the world open, not merely for its own ships and its own supplies, but for the ships and the supplies of neutral countries as well. The white ensign of the British navy is still a pledge of security to all who pass on the seas upon their lawful occasions.

The Canadian navy guards our shores with its destroyers, its armed merchant cruisers, its patrol vessels and mine sweepers, and its various other types of craft. In these matters it works in close cooperation with the Royal Canadian Air Force and the Canadian Army, and its men are constantly on the alert by night and by day, whether the weather be fair or whether it be stormy; whether the temperature be marked by the severe cold of the north Atlantic in winter or by the balmier air of the Pacific. The ships and the men of the Royal Canadian Navy stand, in all circumstances, on guard for Canada.

The third duty of the Royal Canadian Navy—and though I mention it last it is not at all because I regard it as least—is that of cooperating with units of the British navy in European waters or in whatever other part of the world such duties may be assigned to them. These duties may take ships and men of the Royal Canadian Navy across the Atlantic and back again. They may call them to the broad waters of the east coast of Britain, or to the narrower seas which separate Britain from the continent. Our ships and our men may find themselves serving in and with British units in the Caribbean sea, or off the Newfoundland coast, or in the Mediterranean, or on the Pacific. Wherever in the seven seas they have been called upon to serve they have won commendation and approval—the highest and the most authoritative in the world—the approval of officers of the British navy.

And here I come to a stage at which I shall have to draw attention to certain remarks made from the opposite side of the house during the course of this debate.

My hon. friend the leader of the opposition (Mr. Hanson), in his speech in this house in July last, and again in his remarks last week, made some references to me which I regard as, on the whole, kindly and

well meant. It is true that speaking last week he predicted for me a not too lengthy stay in the historic constituency of Kingston City. He would have me homeless shortly, but not nameless; for he paid a high tribute to the name which I bear. For that tribute I forgive him his Cassandra-like references to my political future. The hon. gentleman has made, however, certain references to the quality of Canada's war effort which I cannot pass over lightly. For example, in the amendment which he proposed to the address he used these words:

. . . this house regrets that the government has continued to soothe the Canadian people regarding the war effort of the nation, thereby creating a false sense of security, when a clear-cut call to action is desperately needed.

And again in the course of his speech he used these words:

Our contribution to the first battle of Britain has been rather pitiful. In fact it has not been a factor in the defence of Britain at all, so far as I am aware.

Well, the Minister of National Defence (Mr. Ralston) has put on record here the story of the Canadian Army, and my hon. friend the Minister of National Defence for Air (Mr. Power) has told the house of the work of the Royal Canadian Air Force. I ask the house if there is anything pitiful about our contribution of more than 50,000 land soldiers to the defence of Britain. Fifty thousand of our men stand on British soil to-day, and Britain knows, and Hitler knows, that behind them in this country are many times fifty thousand eager to join battle with the enemy.

Is there anything pitiful in the work of the Canadian airmen serving now with the Royal Air Force or with the Royal Canadian Air Force, as described yesterday by the Minister of National Defence for Air? I think there is not. I think, on the contrary, there is every ground for pride in the achievements of these two branches of the service.

I am here, however, to speak for the Royal Canadian Navy, and if hon. members have listened to the account which I have just given of the work of that navy, I am sure they will agree that that work has not constituted a mere pitiful contribution and that it is not a factor to be disregarded in speaking of the defence of Britain.

Take, for example, the assistance of the Canadian navy in convoy work. Is convoy work not important? Take away the convoy system in which we cooperate with the Royal Navy, leave our merchant ships on the oceans of the world unguarded and defenceless, and you strike at the very arteries of British life. Is it to be said that the work of the Royal Canadian Navy in this respect is pitiful and negligible?

[Mr. A. L. Macdonald.]

Take again the casualties that the Canadian navy has suffered in the discharge of its duties, and say that these represent only a pitiful contribution. Two of our destroyers have gone down in the discharge of their duty —the *Fraser,* in June of this year, and the *Margaree* a few weeks ago. The mine sweeper *Bras d'Or* is now nearly a month overdue from a port on the St. Lawrence river to the port of Sydney, Nova Scotia, and she must be presumed lost. As a result of the loss of those three vessels and of other Canadian losses the Canadian naval casualty list now stands at 14 officers and 243 men.

We mourn for those men who have gone, who have given their lives in a great cause, and we hope that those whom they have left behind may be comforted by the reflection that they died as heroes die, in the course of their duty and in the service of their country. They came from every part of Canada, though our eastern coast has suffered most. By the loss of the *Margaree* alone twenty-five homes in the city of Halifax are bereaved and saddened. It will be idle to say to the wives and mothers of these men that our contribution is pitiful or negligible in this struggle. They will bear their loss bravely, as befits the kindred of heroes; but they, dwelling in that old and gallant city, within daily sight and within constant sound of the sea, will never again look upon the broad Atlantic or listen to the plaintive music of its waves and tides without sorrowing for those who lie forever in its depths.

We do not know exactly what fate befell the *Bras d'Or,* and we fear now there is no survivor left to tell the tale of her going. But we do know the story of the *Fraser* and the *Margaree,* and to lighten the gloom of our sorrow we can say that those who survived behaved with the utmost coolness and gallantry. There was no panic, no fear among them, and everything that men could do to help one another was done. They quitted themselves like men and were strong. In the case of the *Fraser* the greatest praise must be given to her sister ship, the Canadian destroyer *Restigouche,* which disregarded great risks to her own safety and to the safety of her crew in order to effect the rescue of many of the *Fraser's* men. It was a misty night off the coast of France, a night when ships had to run without lights in order to avoid the risk of drawing enemy attack. When the *Fraser* was struck by another and much larger ship, the *Restigouche,* without hesitation, turned on her searchlights in order better to carry on her work of rescue. The position was such that the *Restigouche* had to back toward and alongside the *Fraser,* a very dangerous operation; but Lieutenant-Commander

Lay of the *Restigouche* took the risk, and by the exercise of great skill and commendable gallantry he succeeded in bringing off to safety 14 officers and 104 men of the *Fraser's* crew. I should like to say here that Lieutenant-Commander Lay's Christian names are Horatio Nelson, and that he is a collateral descendant of the great admiral. So that there is something in a name after all. I should also like to add another and more intimate fact about Commander Lay's ancestry. He is a close relative by marriage of the Prime Minister of Canada.

Other noteworthy actions performed by Canadian ships were the rescue by the destroyer *St. Laurent* of 850 persons from the steamer *Arandora Star*; the assistance given by the Canadian destroyer *Skeena* to a Liverpool merchant vessel, for which the Canadian captain received hearty thanks from the Liverpool owner; the assistance which the Canadian destroyer *Assiniboine* gave to a British cruiser in the capture of the German ship *Hanover* in the Caribbean sea; the capture of the Italian ship *Capo Noli* by the mine sweeper *Bras d'Or* in June last, and finally the spectacular capture by the armed merchant cruiser *Prince Robert* of the 10,000-ton German express cargo boat the *Weser*.

It is only natural that the good work of the Royal Canadian Navy, which I have described inadequately here, should have been noted and commended in Britain. Four members of the Canadian naval service have been awarded the Distinguished Service Cross. One petty officer, who I regret to say perished in the *Margaree* disaster, was awarded the medal of the Order of the British Empire. Nine officers and men have been mentioned in dispatches. The King's Dirk, one of the most coveted of prizes, was won in July last by Cadet Ralph M. Lawrence, a native of the province of New Brunswick, who is training in England. A Canadian naval officer and a Canadian electrical artificer have won cash prizes under the Lott Naval Trust Fund for inventions which they designed or improvements which they made in ship's equipment or armament.

On more than one occasion high British naval authorities have paid unsolicited tribute to the work of our officers and men. The most recent of these tributes—and it comes from a very authoritative source indeed—was pronounced only a few days ago by Commander Reginald Fletcher, a member of the British House of Commons and parliamentary under-secretary to the First Lord of the Admiralty. Speaking over the British Broadcasting Corporation network on Thursday night last Commander Fletcher said:

> We have received invaluable help from the dominions and especially Canada.

Hon. members of this house, who are inclined to make invidious comparisons between Canada's war effort and the war effort of other dominions, should ponder these words, "invaluable help from the dominions and especially Canada." Continuing, Commander Fletcher said:

> The Canadian destroyers have worked alongside our own on equal terms in every way. They have entered fiercely into their work with great zeal and efficiency.

I ask hon. members to note the words "Canadian destroyers have worked alongside our own on equal terms in every way." What higher praise could be given to naval officers and men than to say that they are equal to the officers and men of the British navy? Commander Fletcher went on to pay tribute to the crews of the two Canadian destroyers, the *Fraser* and the *Margaree*. Those who were lost, he said, had died in the line of duty, and the survivors had distinguished themselves by their gallantry. Then he continued:

> But more ships carrying the maple leaf on their ensigns will come to join, and be welcomed by, our navy.

More ships will join, more ships will carry the colours of Canada with the white ensign of Britain, and they will carry with them the traditions which officers and men of the Canadian navy are now building so gallantly and so soundly. Commander Fletcher concluded this part of his broadcast by saying that the Hon. A. V. Alexander, First Lord of the Admiralty, had visited the Canadian ships and had been impressed by the bearing of their personnel.

There you have the views of two people in England who are as well qualified as any two people in the world can be to appraise the work and the worth of the Canadian navy.

I should like also to put on record here a paragraph from a letter written by the master of the ship which struck the *Margaree*, and later rescued some of the destroyer's crew. This letter was written to the commander in chief of the West Indies station, and, speaking of the men of the *Margaree* who were saved, he makes this remark:

> I should like to take this opportunity of expressing the pleasure it gave us—would that the circumstances had been different—to have these men with us and to get to know and appreciate their fine qualities, and cheerfulness even in such tragic circumstances.

These words, Mr. Speaker, and the other facts to which I have made reference show, I think, beyond all doubt that the Royal

Canadian Navy is not making a mere pitiful contribution in this struggle. It is making an important contribution, and it is earning the pride of all Canadians and the approval of British naval officers in the process.

I pass now to some discussion of plans which the naval staff and I have in mind for the future of the Royal Canadian Navy.

We now have, as I said a moment ago, a total strength on active service of some 13,000 officers and men, and of ships we have 155. By the end of the next fiscal year we hope to have added some 100 ships and 10,000 men to our strength. That will give us, if our plans materialize, a Canadian navy of 23,000 men manning 250 ships. When we reach that stage of development we shall, of course, be able to make a contribution much greater than that which we are making to-day.

The rapid growth of the Canadian navy, from the beginning of the war up to the present, and the plans that we have in mind for its enlargement, bring before us certain considerations to which I should like to refer briefly.

Thirty years ago the project of a naval college was advanced in this country, and the college was actually established at Halifax in January, 1911. The great Halifax explosion in 1917 so damaged the building that it was unsuitable for its purpose. Classes were then continued for a year at the Royal Military College, Kingston, and for a few years subsequently in a temporary building at Esquimalt on the Pacific coast. Since 1922, however, Canada has lacked even this meagre training centre, and, in consequence, for eighteen years past we have relied for the training of our officers and higher ratings entirely on British schools. They receive there, of course, an excellent training. In England these young Canadians were in the very heart of the world's naval life. They were surrounded by the great traditions of the British navy; they saw before them every day the proofs and the symbols of that navy's might. I hope that link between Great Britain and Canada will always continue. I hope that for all time Canadians may have recourse to British ports, British ships, British naval skill and British naval tradition.

But yet, recognizing all these things, and eager as I am to retain these things, I believe that something more is required for the full development of the Canadian navy. I have just given to the house some figures which show the estimated size of our navy by the spring of 1942. If I interpret aright the feelings of the Canadian people in this respect, these figures are significant of two things. The first is that we in Canada are determined to put forth on the sea, no less than on land and in the air, our fullest efforts for defence of the British commonwealth, including Canada, and for attack on the common enemy.

That is the first thing. The second significant thing is this. The dignity of Canada demands that we should have a navy worthy of our importance in the world of nations, adequate to the needs of the great trading nation which Canada now is, and which she is bound to become in greater measure after the war; a navy sufficient to meet the obligations which rest upon us as members of the British commonwealth, and as a country in close association with the United States in the matter of the joint defence of this continent.

Under the Ogdensburg agreement, and with the appointment of the joint defence board, representatives of Canada and the United States have undertaken the joint study of measures for the common defence of both countries. These measures involve defence by sea, by land and by air. We in Canada must assume our full share of responsibility in this regard. We have long enjoyed the sheltering protection of the British navy. We stand high on the list of the world's trading nations; yet we have never had a navy whose strength was commensurate with our trading position. The trade routes of the world are kept open for us, as they have been kept open for centuries, and as they will be kept open for centuries to come, mainly by the navy of Britain, assisted by the navies of other friendly and democratic countries.

I do not believe, Mr. Speaker, that the Canadian people wish to indefinitely continue a policy which demands of Britain the sole responsibility of guarding our trade routes, or which, on the other hand, takes shelter behind the existence on this continent of a great and friendly power. I believe that Canadian pride, Canadian dignity, Canadian consciousness of present greatness, Canadian hope for increased stature among the nations of the world, all demand that we should assume our proper share of the burden of naval service hitherto borne so largely by the motherland.

We cannot hope, of course, to have in Canada at this time or in the near future a navy comparable to that of Great Britain, or to that of any one of several of the other great powers I might mention. In all things we must be guided by our means and our capacity; but we can, and, in common sense and in honour, I think we must, build a navy that will be not unworthy of Canada, and that will enable us to play our proper

part as a member of the British commonwealth of nations and as a friend and ally of the United States.

The building of such a navy will carry with it the necessity of having trained officers and trained ratings. As I said a moment ago, at one time we had a naval college in Canada, but vicissitudes of one kind or another led to the closing of that institution. I am happy to be able to say in this house to-day, with the concurrence of the Prime Minister and of my colleagues, that we propose to reestablish a Canadian naval college. To this college will resort young men who wish to adopt the naval profession as their life's work. During the war period no other type of work can be attempted at such a college. Indeed, there is high authority for the opinion that a naval college should never concern itself with anything else than the training of men for service in the navy. As yet the whole project is far from being fully developed in my own mind. It may be that the institution will be exclusively a naval institution. On the other hand, it may well be that after the war, it will become a place to which young men who wish to train for the merchant service can go and receive the training necessary to fit them for that important line of seafaring work. It may be, too, that it will be found possible to have in attendance at this college young Canadians who do not contemplate a career in either the navy or the merchant service, but who wish to take advantage of the training which this college will provide as a general preparation for their lives as citizens of Canada. These are all matters to which the naval staff even now is giving its closest attention. One thing is sure. We shall bend our utmost efforts to see that the foundations of the college are laid on sound and broad lines, so that in its conception, in its training, and in its results, it may be a strength and a pride to Canada.

Besides the decision to build, equip and staff a naval college in this country for our Canadian youth, there is another implication which is carried in the decision to enlarge greatly the Canadian navy. It is this. We have built already in Canada some of the smaller ships required by the Canadian navy, and we have built some ships of similar type for the British Admiralty. Just here I should like to pay tribute, in which I am sure my hon. friend the Minister of Munitions and Supply (Mr. Howe) will be glad to join, to the work that has been done already by the shipbuilding yards in this country. On the whole, the programme of building ships for the Canadian navy is well ahead of schedule, and this fact reflects the greatest credit on the loyalty, the diligence and the skill of the shipbuilders of Canada, and on the manufacturers of other essential equipment for ships.

But, Mr. Speaker, we intend to go further. It is our hope that in the Canadian yards we shall be able to build destroyers and perhaps cruisers as well. The building of these craft requires a high degree of skill; they have never before been built in this country. In the early stages of this development we shall require the assistance of skilled men from Admiralty dockyards or from private yards in Britain, and we have asked for that assistance.

With the establishment of a Canadian naval college, and the building in Canada of the larger types of ships of war, we shall come to the day, and I think that it will be a proud day for this country, when our Canadian naval effort will be directed by Canadian men, trained in Canada and operating in ships built in this country.

As I survey, Mr. Speaker, the Canadian naval effort, or indeed, the whole Canadian war effort, I see no reason to blush. I find no cause for shame. It is true that we were unprepared for war, but yet our very unreadiness may in the end prove to be one of our greatest assets. The nation that is unprepared does not seek a fight. Before the high court of history we shall take our stand with Britain, and with our other associates in the British commonwealth of nations, in the certain hope that our ground is impregnable, in the sure knowledge that we did not desire war. Before the tribunal of the present, before our own people to whom we are responsible, we say that we went to the very edge and brink of honour in our effort to preserve peace. It was only when discussion, negotiation, and even concession had failed, and when there was left no other alternative, it was only then that we took up arms. We took them up with great reluctance. We shall bear them with even greater firmness. We shall not lay them down until honour walks the earth again, until we and the rest of the democratic world are safe from the menace of nazi attack and the threat of nazi thraldom.

The struggle, as the Prime Minister said in his eloquent speech a week ago, will be longer, harder and more terrible than any of us can believe at this time. Such a struggle will demand sacrifices; it will require, as Mr. Churchill said, its full meed of sweat and toil, blood and tears. But if any of us in this country should falter along the hard road, we shall look to Britain for resolution and inspiration, and we shall see there a whole people at war for the

first time in modern history. We shall see the young, the middle aged and the very old, the strong and the weak, the rich and the poor, all ages, all sexes, all classes, equally in danger of enemy attack, and all facing that danger with equal courage and equal coolness, with a humour almost a gaiety, that has challenged and won the admiration of the world and the support of free men in every land. The people of Britain, soldiers and civilians, men, women and children, are adding now the newest and the brightest page to the proud story of the British peoples.

Some two months ago I listened to a radio commentator from London who said that one of the amazing sights in that great city, was the number of flags that could be seen flying there. Most touching of all, I thought, was his statement that in instance after instance these flags could be seen floating over ruined buildings, many of them the humble dwellings of the poor. These people, forced to see their homes destroyed, their personal possessions gone, sometimes members of their families maimed or killed, digged themselves out of the wreckage and at once they planted above it the flag of Britain. That act seems to me symbolic. They plant that great flag there, not only to defy Hitler, not only to encourage the weak and inspire the faltering among themselves, but also as an emblem of hope and of prophecy. And the hope and the prophecy are this: that just as the flag of Britain rises over the physical ruins of some of its homes, so out of the wreck and welter of this war there will arise a greater Britain, a Britain strengthened and stiffened by its heroic struggle, a Britain which will lead the world into better and fairer ways of life, not for one class or group, but for all people.

So long as that spirit remains we need have no doubt as to the ultimate outcome of this war. The whole of Britain is under attack now, but in her own time she and her dominions will take the offensive. They are on the offensive even now; for our gallant airmen are carrying the war to the heart of enemy countries and to the territories which Germany has conquered, and our incomparable fleet still commands the seas. Her soldiers at Dunkirk have proven their quality. We shall see Britain triumphant, and long after the name of Hitler will have become nothing but an unpleasant memory, the same flag which now waves over disordered heaps of crumbled brick and stone and mortar will be flying freely and proudly in the airs of heaven, sheltering liberty and justice and freedom and truth in its benevolent shade. That is the hope and the promise of the British flag flying over the ruins of British homes.

[Mr. A. L. Macdonald.]

Mr. J. R. MacNICOL (Davenport): Mr. Speaker, I am happy to have the honour of being the first to congratulate the former premier of Nova Scotia, the Minister of National Defence for Naval Affairs (Mr. Macdonald) upon the eloquent speech in which he presented his report to the house. Having myself a task to perform, I am sorry that in the brief time at my disposal I shall not be able to refer to what he has said. There come times when hon. members rise in their places feeling unable to deal effectively with the subjects upon which they have chosen to speak. They may be depressed by the utter futility of any hope that their arguments, no matter to what extent they may be backed up by facts and figures, will have any weight. They may be depressed because they know that anything they may say will not prevent what they believe to be a menace to the country.

I refer to the recent agreement between Canada and the United States in connection with certain developments on the St. Lawrence-Great Lakes system, which was tabled on November 12. I want to refer particularly to one item in that agreement, namely, that which refers to the diversion of the waters of two tributaries of the Albany river from a wholly Canadian watershed to the international watershed of the St. Lawrence-Great Lakes system. We are told that the diversion is to be made for war purposes. I personally do not agree with its necessity for war purposes.

In rising to speak against what I am convinced is a tremendous menace to this country I hasten to say first of all that having been partly educated in the United States, and having had for many years business connections with great firms in that country in the same line of business in which I was engaged, I have learned to respect and honour our cousins in the country to the south, and I hope I shall never be in any other frame of mind towards them. We indeed have the best of neighbours of any country in the world. But I cannot consent to the theory that this diversion is a necessity for war purposes. This diversion from northern Ontario of rivers that are wholly within a Canadian watershed and are now under the sole, single and sovereign jurisdiction of Canada, and their transference by diversion to international control with another country, leaving us without full control over our own waters in northern Ontario, is something to which I cannot possibly subscribe.

What is proposed under this agreement so far as the diversion of waters from northern Ontario is concerned? This is a purely Canadian watershed where the rivers now flow on a grand plateau north of the divide between the Hudson bay basin and the international watershed. They have flowed and I hope will continue to flow as God ordained them to flow into the Hudson bay.

The proposal is to divert the Ogoki river and to take from it a flow of 4,000 cubic feet per second. Next it is proposed to divert the Kenogami river, which, together with the Ogoki is a branch of the Albany, and to take from the Kenogami a flow of 1,000 cubic feet per second, pouring it finally into lake Superior, and thus to divert from waters flowing into the Hudson bay 13,000,000,000 cubic feet of water per month at a time of year when, as I shall later show, the water is most necessary, according to one of the greatest navigators this country has ever had, to assist in the opening of navigation in Hudson bay.

What is the proposal with respect to the Ogoki diversion? It is to erect a 35-foot dam at Waboose falls, just east of where the 88th meridian intersects the river, and to raise the water behind that dam to a height of 1,065 feet above sea level. The result of that will be to back up the Ogoki river forty miles west to the west end of Calm lake, submerging an area of approximately 1,000 square miles.

What is the relationship between these waters and the heights above sea level? The elevation rises from Lake Nipigon, which is 852 feet above the sea level, via the little Jackfish river, which starts in South Summit lake, which is 1,062 feet above sea level and just south of the height of land. Immediately over the height of land the country is flat. As far as the eye can reach there is nothing but a flat expanse of territory, except for Waboose mountain, which is some ten miles to the northeast. The first lake over the height of land is the Mojikit, 1,061 feet above sea level. A 35-foot dam at Waboose will submerge that whole territory between the height of land and the Ogoki river some twenty miles north in a direct line, and to some extent north of the Ogoki river, because I found bench marks some distance north.

As to the land southeast of Calm lake, my Indian guides informed me that they were told it would require large dams to prevent the water from flooding over that country. So that there would be a lake there of not less than 800 to 1,000 square miles in area.

We are told that this diversion will cost about $5,000,000. I am satisfied, Mr. Speaker, that it will cost several times $5,000,000, perhaps $10,000,000 to $15,000,000 at the least.

On the Kenogami river the works are already completed. There is a dam 14 miles north of Long lake the source of the Kenogami, and behind that dam are controlled the waters of Long lake, the Kenogamissis river, and the Burrows river, which have a flow of about 1,000 cubic feet per second. That dam and the control dam south of the international height of land, and the canal through the height of land, were built in open and flagrant defiance of the international treaty of 1909. Had the Canadian government done its duty when these works were begun, they would not have found themselves recently in the mess they were in when they agreed to legalize something that should never have been done in the first place and that took place in open violation of an international agreement.

What is Canada supposed to receive for this vast expenditure and for the loss to northern Ontario of waters which in my judgment will be vital in the future to the settlement and power needs of that country? We are told that we shall receive at Niagara an additional 5,000 cubic feet per second, which conforms to the 4,000 cubic feet per second from the Ogoki and 1,000 cubic feet per second from the Kenogami. From that we are to receive a comparatively small volume of horse-power, from 70,000 to 80,000, supposedly for the purpose of producing war munitions. We are told that on the Nipigon we shall be able to develop perhaps another 100,000 horse-power. I have been up and down the Nipigon river and I know it thoroughly. There are running freely in that river to-day four splendid rapids—Virgin, Flat Rock, Rabbit and White Chute—from which 100,000 horse-power can be developed, so that any development of Ogoki water on the Nipigon river is far remote in the future.

We are told that we shall be able to develop on the St. Lawrence river, from this same 5,000 cubic feet per second of water when it reaches the St. Lawrence, perhaps an additional 70,000 horse-power, but it will be some considerable time before the St. Lawrence waterway is developed, and when it is developed there will be many millions of horse-power available. So that it will be a long time before that supposedly extra 70,000 horse-power will be used.

We are told further that at Sault Ste. Marie we shall be able to develop another 8,000 horse-power. I know the Sault very well, and there is at present a vast volume of undeveloped power there, so that it will be a long time before that additional power is required. Finally, we are told that three

inches will be added to the levels of the great lakes. I am of the opinion that instead of the levels of the great lakes being heightened, they will be lowered, as I shall show a little later on.

To place the matter on a proper basis I shall start at fundamentals and trace the origin of what I call this tragedy, this attack on the resources of northern Ontario and of Canada. The origin has nothing to do with the development of power at Niagara Falls; not a bit of it. It can be traced back to 1921 or 1922, when a celebrated reconnaissance engineer enjoyed a holiday, at his own expense and in his own time, south of the height of land and also north and west on each side. This gentleman, Mr. Ralph Keemle, merely as a study, chose to present the results of his discoveries in that country, and offered two pronouncements for examination by engineers and others interested. They were, first, that a canal could be built from lake Superior via lake Nipigon to Little Jackfish, up and over the height of land, up the Ogoki river, across the land between the Ogoki and the Albany, through lake St. Joseph to Lac Suel, down the English river to the Winnipeg river, thence to lake Winnipeg and the Saskatchewan into western Canada. The second was that the development there could be used to replenish the great lakes for the lowering of their levels as the result of loss through the Chicago drainage canal. These two pronouncements were the origin of the tragedy which is now to be inflicted on this country.

Mr. Keemle's deductions were brought to the attention of the late Sir Adam Beck, who looked into the matter as far as power development was concerned and merely filed the information which had been presented to him. Little notice was taken of these discoveries until in 1924 the engineering board of review at Chicago was called together to delve into the causes of the lowering of the water levels of the great lakes and to offer suggestions for their replenishment. The nineteenth suggestion which was presented to this board is this:

> The possible diversion of a large quantity of water into the great lakes from streams now entering the Hudson bay, was brought to the attention of the committee on lake levels, as a remedy for low lake levels, and as means of compensation for the diversion of water from the lakes through the Chicago sanitary canal. This water, now flowing north, was to be turned south into the great lakes by way of lake Nipigon. It was suggested that a quantity of water equal to that now diverted at Chicago could be taken through a canal across the northern divide, from waters of the Albany and Ogoki rivers, which now flow into Hudson bay.

[Mr. MacNicol.]

Is it not strange that the amount which is now to be taken from northern Ontario north of the great divide and from the great northern Ontario plateau is the exact amount which a recent bill before the United States congress calls for, namely 5,000 feet per second? I am not saying that there is any relation at the present day between the one and the other, but the real facts behind the proposal might well show that to be the case.

What did the board say in giving its report? Here is the statement with reference to these diversions:

> Since there may be other opportunities for industrial development on north-flowing rivers, the Canadians naturally would be slow to make southward diversions into the great lakes drainage, pending future development of the country.

It is a sad state of affairs at which we have arrived, Mr. Speaker, when we are willing to jeopardize the future requirements of that country by diverting water which has 100,000 potential horse-power.

The premier of Ontario has been very insistent during the last few years in pressing this government to grant his request and permit the diversion of those rivers. If this government has consented to such an outrage on northern Ontario upon the statement of the premier of Ontario as to what that country is like and what the water levels of the great lakes are, it is a sad state of affairs. Here is what he is quoted as having said at London, according to a report in the *Star* of Windsor, Ontario, on February 2, 1938, in reply to a speech which I had made against these diversions:

> Defending his proposed Ogoki river diversion plan before the Engineering Institute of Canada here last night, Hon. Mitchell F. Hepburn, premier of Ontario, replied to charges of John R. MacNicol, M.P. for Davenport, that back of the plan is a tie-up with the Chicago drainage canal's lobby at Washington.
>
> "Lake Michigan empties into lake Superior," Mr. Hepburn said. "Certainly water we dumped into lake Superior wouldn't run uphill into lake Michigan."

If this whole tragedy is based on the assumption that the level of lake Michigan is nineteen feet higher than lake Superior while in reality it is that much lower, then the world has been turned upside down since I traversed those lakes, as I have done many times.

Mr. HOWE: It looks that way on the map.

Mr. MacNICOL: I have given what Canada is supposed to obtain, at some time in the distant future, from these diversions, apart from the comparatively small block of power

which can be obtained at Niagara Falls? Let me point out what the menace to Canada will be as a consequence of these diversions.

First there is, as I said a moment ago, the loss of 100,000 horse-power, which could be developed and for the benefit of future generations, on the rivers affected.

Then, we shall submerge approximately a thousand square miles of potential pulpwood and mineral land. The Precambrian shield touches that area. Not far southeast are the fine mines at Geraldton, and further east there are mines at Kirkland Lake, Timmins, and elsewhere. The whole country may be a mineral country.

Further, the Indians will be deprived of a large part of their hunting grounds. I am happy to say that when I went up there a few years ago quite a number of Indians, having learned from my outfitter that I was coming into that district, met me at the point at which I was going to enter the river to proceed north. Some of them had come all the way from Fort Hope on the Albany river to cheer me, so they said, in the effort to save their hunting country for them. This diversion will be a very serious business so far as the Indians are concerned. And every one of the outfitters of that country is opposed to it. These outfitters are the means of bringing to Canada every year a large sum in United States money. They take tourists up into that country, which is one of the finest tourist areas in the world, and wholly unexploited except for the tourists who visit it.

These diversions will result in the submergence of the famous Sentinel rock falls. Sentinel rock is a huge rock which resembles the head of a Roman sentinel. Standing in a prominent position alongside the falls, it presents a striking picture. I should not like to think it would have to disappear as a result of this project.

In my judgment these diversions are a sacrilegious interference with the laws of nature. What did Solomon, the wisest man who ever lived, say in chapter 1 of Ecclesiastes, verses 6 and 7? I quote:

> The wind goeth toward the south, and turneth about unto the north; it whirleth about continually, and the wind returneth again according to his circuits.
>
> All the rivers run into the sea; yet the sea is not full; unto the place from whence the rivers come, thither they return again.

In agreeing to this diversion we are interfering with the laws of nature, and no engineer can tell what the effect will be on the rainfall or the wind or the clouds with regard to the replenishing of the north country once this vast volume of water is diverted from its God-directed course.

Then there is the loss of navigation on the Albany river itself. Recently I conversed with a former bishop of that country who had read that I had been opposing these diversions and he said, "I am praying that you will succeed in your opposition, because I have been up and down that river many times and in the summer, over the pebbly shingles in the lower reaches of the river, navigation is slight enough, so that with a diversion of 5,000 cubic second feet at that time there is bound to ensue a very serious state of affairs so far as navigation is concerned." I am wondering what the Hudson's Bay company will have to say about it, because they have used the river for navigation purposes for two hundred years or more and they may have a claim for damages against this country if their traffic up and down the river is interfered with.

There is also the loss of national control. In my judgment, once the agreement is concluded and has been accepted by the congress of the United States, it cannot be altered without the consent of congress. I am not unmindful of what happened in the last war when, for so-called war purposes, this country permitted the erection, across the south branch of the St. Lawrence river opposite Massena, of a barrage which has prohibited navigation since 1918. That barrage was to have been removed within five years of its erection, or at all events with the cessation of war, but it is still there, causing a diversion of 25,000 second feet out of the St. Lawrence, 12,500 cubic feet of which belongs to Canada and for which we do not receive a cent. Yet we cannot stop it. That was for war purposes in 1918, and the same thing will happen again. Once these diverted waters start flowing out of lake Michigan at Chicago or over Niagara falls they will continue indefinitely and we may not be able to stop the flow south at any time in the future.

What does the United States get out of the agreement? I am not opposed to their getting something out of it, because I am a friend of the United States; but I cannot read into the agreement, tabled on November 12, what the eminent writer of the New York *Times* read into it. Let me quote from a New York *Times* editorial of October 16—and they have the best writers in the United States:

> Ontario has long wanted more power from Niagara. Now that Canada is at war and straining every industrial sinew, the need of that additional power is acute. Washington sees the point and consents to the diversion of 5,000 cubic feet of water a second from each side, which is equivalent to about 155,000 horse-power—

That is to say, 77,500 horse-power each. Now our agreement does not say that. The agreement tabled here does not say "each side." If that be the case, then the new diversion at Niagara is to be 10,000 cubic feet per second, and that bears out what I said—that the water levels on the great lakes will go down instead of rising as a result of the agreement. To continue:

—all in accordance with the recommendations made by the special international Niagara board in its report of 1926. Niagara is of negligible importance to the administration—a card to be played. It is the St. Lawrence project that is really to be pushed—a project which involves the digging of a channel for ocean-going steamers and the erection of dams and plants to generate power. The only satisfaction to be derived from this trade lies in the immediacy with which both Ontario and western New York can meet the need of extra hydro-electric power at low cost. Both on the Canadian and the American side of the falls power plants were long ago expanded to use far more than the amount of water which is now to be diverted, so that it is unnecessary to wait months and years before the extra power can be put to work.

Is the New York *Times* right, or is the agreement tabled in this house on November 12 right?

I wish to refer briefly to a suggested effect on Hudson bay. I do not know personally that there will be any effect on Hudson bay. I am not an engineer qualified to pass on that question, but I went to the bay last summer and talked to old residents there in the hope of ascertaining what I could about navigation on Hudson bay, and I am convinced that if the war continues and the submarine menace gets greater, as it may, it will be necessary for the empire to put forth every effort to minimize that menace by restricting the shipping lanes in which submarines could operate. There is a fairly well protected channel for 750 miles from Churchill to the ocean before submarines could be of any effect and trade might go over the great circle to Great Britain; therefore anything that interferes in any way with the length of navigation period on Hudson bay must be resisted. This country should be the last to tolerate anything of the sort; for we have in Hudson bay one of the greatest treasures of the dominion. It extends south 900 miles into our country, and the port at Churchill is an excellent one.

Shortly before Captain Bernier died I had the pleasure of meeting him. He was a devout Christian. He wrote me a letter which I will read. Captain Bernier was the most eminent marine captain in Canada. He had, I believe, more knowledge of northern waters than any other captain, having been yearly the first to enter those waters. He was an old man and he told me he was going east and did not expect ever to come back, and he did not. I said to him one day, "I want to ask you a question because of your vast experience of navigation on Hudson bay. What would be the effect on Hudson bay if any of the fresh water now flowing into it was diverted?" He wrote me the following letter, which in my opinion should be in the archives in view of what it contains. It is dated at Ottawa, March 16, 1934:

In reference to the questions you asked me on Wednesday morning, relative to the navigation on Hudson bay, I am pleased to set out the information I endeavoured to convey to you personally:

There are twenty-four large rivers flowing into Hudson bay from the territory surrounding it and in between the mouths of these said rivers there are many other rivers which also discharge a large volume of water into the bay. My opinion, based on experience in navigating Hudson bay and from observations made, is that the total volume of all the water entering into Hudson bay from the land substantially raises the level of the bay above the level of the ocean, in the flood season of the rivers, to approximately one foot.

I am not able to say whether or not that is so, but I take Captain Bernier's statement for it. He was in earnest when he made it.

My opinion is that at the time of the flood season of the rivers the outlet of the bay itself is more or less still choked with ice between Bell peninsula, Southampton island and cape Digges on the Ungava mainland. The islands of Coats, Mansel and Nottingham act as anchors of the main sheets of ice. On looking at the map it will be seen that the outlet of Hudson bay is considerably narrowed by the position of the islands at its outlet, jamming ice, which jamming undoubtedly retards the outward flow of the bay's surplus water. The fresh water rises to the top when it enters the Hudson bay and this together with the ice jamming is one other reason why the Hudson bay level in the flood season is above that of the ocean. I am convinced that this very fact—that the level is higher—has a considerable effect on forcing the ice out of Hudson bay into Hudson strait and then to the ocean, thus opening navigation.

In reply to your question as to whether a material reduction in the flow of fresh water into the Hudson bay from the rivers would have any effect on navigation, I am of the opinion that if the flow from the rivers to the bay is materially reduced and all other conditions exactly the same, the reduction in the fresh water entering the bay would shorten the period of navigation at the commencement of the season. Of course, you will realize that there are so many contingencies and variations that enter into an opinion, that I cannot give definite detail. I believe that the route from Churchill to Great Britain will, as time goes on, become more and more important and that if the ships using the northern passage are built along lines suitable to ice conditions and with improved methods of obtaining the data and the radioing of same to the masters of ships, the Hudson bay route will increase in popularity.

Now, Mr. Speaker, if there is even a little fact in that statement; if the opening of navigation in Hudson bay would be delayed one day through the diversion of 13 billion cubic feet of fresh water per month when the ice is breaking up in Hudson bay, in my judgment it would be a very serious thing for this country, and particularly serious if the time comes, as I said, when it may be advisable for our ships to go north over the great circle to Great Britain.

I said at the beginning that I was opposed to these diversions being made on the ground that they are to provide power for war purposes, because I do not believe that it is required for that purpose. The hydro-electric power commission should have a fairly substantial surplus—they would not operate without some surplus—and that surplus can be used until other means are provided. Last year the Beauharnois company appeared before this house and asked a further diversion of 30,000 cubic feet per second from the St. Lawrence, and we granted it. That will result, if it has not done so already, in the production of an additional 225,000 horsepower. They can come again; the river between lake St. Francis and lake St. Louis is rendered unfit for navigation anyway, so that if they require more power for war purposes let them come again and ask for another 30,000 feet, which will produce another 225,000 horsepower. Seventy or eighty thousand horsepower at Niagara Falls will not last very long. If we have to get power in large blocks we can get it from Beauharnois, and we can get it there at once.

Further we can produce a great deal more power at Niagara Falls. At Niagara Falls the United States gets 20,000 of the 56,000 feet diverted under the 1909 treaty. We are supposed to get 36,000 feet; as a matter of fact we use only 22,400 feet. The other 13,600, the remainder of our takings at Niagara Falls, generates power that goes to the United States, so that all we get now in Canada at Niagara is the power produced from 22,400 cubic feet per second. And 16,000 feet of this goes to Queenston, from which we develop, or could develop, approximately 500,000 horse-power. As an engineer my hon. friend knows that if the forebay adjacent to the Queenston power house were enlarged to the extent that has been proposed by engineers, at a cost of $10,000,000 to $15,000,000, another 160,000 horsepower can be produced there with the same 16,000 cubic feet of water. All we have to do is to modernize our development at Niagara Falls. What have we been doing during the last few years? There are several plants there using water, but some get much more power per cubic foot than others. For instance I am told that the 5,000 cubic feet per second to be diverted from northern Ontario is to be developed right near Niagara Falls, and will produce 70,000 to 80,000 horse-power. If this water were taken on to Queenston it would produce approximately twice as much power. The Niagara Falls developments should be modernized. The $10,000,000 to $15,000,000 more or less required to divert northern Ontario's water resources from that great plateau north of the height of land could be spent to much better advantage in modernizing the Niagara Falls plants and developing power down there. Also the other 6,400 cubic feet that now runs through the old plants on our side of the line at Niagara Falls could produce a lot more if they were modernized.

Then we have not far from Ottawa two or more million horse-power running to waste, at Campbell's Bay and Carillon and other sites, in addition to what can be developed on the Madawaska. Any amount of power is now available without robbing water that should go and that God directed to go into Hudson bay when He made this world. I am unalterably opposed to diverting any water that God designed, perhaps, as Captain Bernier so well said, for assisting the opening of navigation in Hudson bay. If the pronouncements of the late Captain Bernier have anything in them—indeed if they have not I would make the same statement, because no one can tell what the effect of the diversion will be on Hudson bay—the provinces of Manitoba and Saskatchewan and Alberta have a vital interest in the navigation of Hudson bay, and if I were living in any one of those provinces or represented one of them in this house I would request that the legislature meet to discuss the effect of these diversions on Hudson bay before this affliction is consented to. This government should have appointed an engineering board of review on which the best engineers in America would be invited to sit with engineers from the three prairie provinces, because their interest in that great port on Hudson bay is vital; it will be in the future a great port. I am satisfied that had engineers for those provinces been consulted about this diversion they would have refused to consent. The legislatures of the provinces affected should meet. A great tragedy is to be inflicted on this country on the basis of a statement by the premier of Ontario, if he is correctly quoted, that the level of lake Michigan is higher than lake Superior and that the water when diverted will not flow into lake Michigan. In that statement the premier of Ontario is wholly in error. I say that nothing can stop that water flowing out at Chicago as well as at

Niagara Falls. Lake Huron and lake Michigan are one single lake, having the same level, 581 feet above the sea. It has the two outlets.

Let me conclude by saying that, in spite of what anyone may say, in my judgment the necessities of Chicago, as well as other necessities, are behind these diversions; and when during the coming session of congress they again present bill No. 8327 asking for a diversion of 5,000 c.f.s. from lake Michigan, that request may be granted. Already they are diverting 1,500 c.f.s. for dilution and 2,000 c.f.s. for domestic supply, so that if they obtain for dilution 5,000 c.f.s. it will give them a total of 7,000 c.f.s. Then if the agreement also calls for the diversion of 5,000 c.f.s. on the United States side at Niagara Falls—

Mr. HOWE: I am sure my hon. friend would not like to have the impression go out that this request for an additional 5,000 c.f.s. is definitely going through. What is definite at the moment is that 5,000 c.f.s. are being used on the Canadian side and nothing on the United States side.

Mr. MacNICOL: The minister should know; I do not know, but certainly that was the statement made in the New York *Times* by perhaps one of the best informed writers in the United States, and he would not lightly make an error. The minister knows a great deal more than the average man in this house about engineering, and I would ask him if it would not have been much saner to follow the recommendations of the 1926 board. Apparently all that was necessary, because they wanted it on their side as well, was to say to the United States, "You take 5,000 c.f.s. and we will take 5,000 c.f.s., for the duration of the war." Then both countries would have obtained power immediately and we would not be parties to a tragedy affecting the future of northern Ontario and the navigation of Hudson bay.

Mr. ANGUS MacINNIS (Vancouver East): In rising to take part in this debate, Mr. Speaker, I should like first to join with the hon. member who has just taken his seat (Mr. MacNicol) in congratulating the Minister of National Defence for Naval Affairs (Mr. Macdonald) on the ease and eloquence with which he addressed this house in his first speech here. I imagine that possibly, like myself, he is somewhat handicapped in speaking to the house by not being permitted to address it in his mother tongue.

The speech from the throne which was read at the opening of parliament contained these words:

[Mr. MacNicol.]

> You have been summoned at this time that opportunity may be afforded for the fullest consideration and discussion of Canada's war effort and of national problems which war has served to intensify or create.

That states very clearly the reasons for calling us here, I think. I for one believe it is highly desirable that at this time we should have a full and free discussion of Canada's war effort and related problems. Though now we have been at war for more than fourteen months there has been very little opportunity for the private member, at least the private member on this side of the house, to obtain a clear picture of what the country has done and is doing in this great emergency. Perhaps it is difficult to give a clear picture without making public information which might be helpful to the enemy. We should keep in mind, however, that too little information may be as harmful to our cause as too much.

Already, since the opening of this session, we have heard a great deal about the military preparations which the country is making to carry the war to a victorious conclusion. If we are going to wage war at all I think we should do so with all the power at our command, if for no other reason than to bring the terrible ordeal to a successful ending as quickly as possible. We should not, however, lose sight of the fact that preparation for war is not a military problem only. It is also an economic problem, a political problem and a psychological problem. If, then, we think only in terms of military preparation, whatever may be the military result we will lose the war. For us I hope that winning the war is not to be an end, but rather the means to an end. If that is the case, as I sincerely hope it is, we must keep that end continually in mind. I think that is what the Prime Minister (Mr. Mackenzie King) must have had in mind when he said, as reported at page 61 of *Hansard*:

> What is necessary then to win the present conflict: It is to put on the whole armour of God, not the outward material trappings only, the helmet, the sword and the shield, necessary as they may be for purposes of defence and attack.

There is much more in the Prime Minister's peroration to the same effect, but I think I have quoted enough to show that he holds that in this struggle the use of military instruments is not enough to win the war. We must also make use of other, if more intangible, things, such as fair dealing, honour, truth, justice, equity, cooperation, the willingness to sacrifice, and many similar virtues

which people of good-will all through the ages have tried to get accepted as the foundations for the society of their day.

If that is what the Prime Minister meant, and I believe it is, then I am in absolute agreement with him; and because I believe as I do I am greatly disturbed about the lack of understanding and of the practice of the truths mentioned by the Prime Minister on the part of most of the people who have to do with the direction of our war industries. Since the war started we have heard a great deal of that much misunderstood word, democracy. In modern warfare the morale and temper of the workers in industry in my opinion is of equal importance to the morale of the soldiers in the army. Relations in industry between employers and workers are not good in Canada to-day, and are daily becoming worse. For this the government must accept responsibility. I think this is more particularly true of our war industries.

Let me outline briefly the position of the worker as he sees it himself. He feels that he is being exploited, that the contractors are making an undue profit out of his labour and out of the distress of the country. Moreover, he feels that he has been ignored by the government. He feels that the government is working hand in hand with the employers to prevent his having a say as to the terms upon which he will sell his labour. He is losing faith in the sincerity of those who are governing this country, not only those in the government itself but the people who have great influence upon the government. Steps should be taken at once to remedy this condition if we are not to have unrest very shortly which will reach greater proportions than the unrest at the end of the last war.

I should like to refer for a moment to my own city of Vancouver. Perhaps this matter is a small one, but it is just one of a number of small things which are likely to increase and make for a bad situation. The Boeing aeroplane company have a plant in Vancouver which has had, and I believe still has, government contracts for the manufacture of aeroplanes and aeroplane parts. According to a recent press statement the government has under consideration the construction of another new aeroplane plant near the city and yet, a few weeks ago about 150 men were laid off at the Boeing plant; the reason given for the lay-off being lack of material. But the men who were laid off are not satisfied that that was the real reason. As a basis for their doubt in the matter they point out that shortly before they were laid off a considerable number of new men had been engaged. They point out that although there has been considerable talk of a scarcity of skilled labour, the employees laid off by the Boeing plant were skilled men who had been in the employ of the company for a long time, some of them for many years.

The men are also suspicious because among those laid off are some of the officers of their union. They inform me that no effort has been made by the company to observe the regulations issued by the government last January as to labour conditions applicable to contracts awarded in western Canada for aircraft manufacture and overhaul. These regulations stipulate that the ratio of apprentices between the ages of sixteen and twenty-one years to trade journeymen shall be five journeymen to one apprentice. These regulations were applicable to a number of trades, but I am informed that, after the lay-off at the Boeing plant, in the machine shop there were one apprentice and one journeyman left on the night shift, two journeymen and one apprentice on the afternoon shift and on the evening shift, three journeymen and one apprentice. In the metal shop, where there was supposed to be not more than one apprentice to five journeymen, there were left three apprentices and three journeymen.

I am told that an analysis of the capacities of the men laid off showed that in most instances, if not in all, it was production workers, journeymen and specialists, whose labour was dispensed with. I am not arguing that changes in the regulations should not be made if conditions warrant, but it seems to me that when such changes are made they should be made according to the rule laid down by the order in council P.C. 2685, passed last June, which provides that such changes shall be made only after consultation with representatives of the employers and of the employees. I submit that employers should be given to understand that war contracts are not the result of their personal initiative and enterprise. They should be told that the people of Canada pay for these contracts; that these contracts are the result of the determination of the people of this country to destroy Hitlerism, but that in doing so we are not going to allow embryo Hitlers to develop among us.

Further with regard to the growing discontent among the working people I should like to remind the house that at the last session I directed attention to the lack of labour representation on the various war boards. At this time I should like to advise the Prime Minister (Mr. Mackenzie King) again that if he wants the people of this country to continue in the faith that this is a war to destroy Hitlerism and to save democ-

racy he had better review without delay some of the appointments which have been made to these boards since the war began. I do not refer to the armed forces; I refer to the personnel of many of the war boards, particularly to the appointments made to the former munitions and supply board, most of whom have since been taken into the Department of Munitions and Supply. I want to say most emphatically that at this moment there are men in influential positions who should be retired quickly. I am not denying that they may know a great deal about business and industry, but they know nothing at all about democracy. Because they know nothing about democracy there is likely to be trouble in this country before very long. It may be better to have a little dislocation now than a great upheaval later on.

Last June the government issued an order in council, the one to which I referred a moment ago, which set out the principles and conditions which should govern the conduct of employers and workers during the war. In that order in council the government gave its approval to collective bargaining. Collective bargaining presupposes union recognition by the employer; indeed, collective bargaining is impossible without union recognition. I do not know whether this order in council has had any effect upon the attitude of employers toward collective bargaining, but from what I hear and from the evidence I have, I doubt it. I believe that most employers, with a few honourable exceptions, treat it with contempt.

I drew attention last session to a conciliation board which had been set up to investigate a dispute between local 240, Mine, Mill and Smelter Workers' Union at Kirkland Lake, and Teck-Hughes Gold Mines, Limited. As I remember the case now, there were three points in dispute—wage increases, union recognition, and the reinstatement of a number of employees, 47 in number, who had been discharged for alleged union activities. The members of the board were Mr. Justice Martin of Saskatchewan, Mr. J. L. Cohen, a lawyer of Toronto, and Mr. G. C. Bateman, who I understand is at the moment economic adviser to the Minister of Munitions and Supply. Mr. Justice Martin and Mr. Cohen, in a majority report, recommended that the discharged men be taken back before any new men were hired, and that lay-offs and rehiring in future be according to seniority. They also found in favour of union recognition, but found against an increase in wages for the time being. But Mr. Bateman, economic adviser to the Minister of Munitions and Supply, found against all the claims of the men, including union recognition. However, the men agreed to accept the award shortly after it was made. Forty-four days after the men had agreed to accept the award, just a month and a half afterwards, Teck-Hughes Gold Mines, Limited, in a letter signed by the president himself, advised the Department of Labour in these words:

> I beg to inform you that at a recent meeting of our board of directors it was decided that the recommendations made by the board of conciliation and investigation would not be accepted by this company.

Order in council P.C. 2685, which I have already mentioned, reads, in clause 7:

> That employees, through the officers of their trade union or through other representatives chosen by them, should be free to negotiate with employers or the representatives of employers' associations concerning rates of pay, hours of labour and other working conditions with a view to the conclusion of a collective agreement.

With an experience, Mr. Speaker, of over thirty years in the trade union movement, and at least that length of time studying the relations between employer and worker, I am convinced that there is no other way under heaven in which there can be peace and democracy in industry except by collective agreements between employers and employees.

I have quoted this clause from the order in council because many trade unions in their innocence thought this order in council was operative, that it had some legal sanction behind it, like the order in council, for instance, which declares areas around certain industrial plants "protected areas," or like the order in council which, without any notice or consultation, and in contravention of the government's own declared policy, abrogated the Fair Wage and Hours of Labour Act of 1935 in certain works.

The workers are usually simple people. By that I mean they are not accustomed to the subtleties found in high places. Words mean to them just what the words seem to mean, and they accept them at their face value. The workers did not know that the order in council which the government passed in June last was merely window dressing and was accepted by the government as being just that. The leader of the opposition (Mr. Hanson) I imagine would call it "eye-wash," but many of the workers have another word for it, which, if I were to use it, would be considered unparliamentary and I should have to withdraw it. It is a compound word made up of the male of the bovine species and a certain kind of fertilizer.

All the nazi-minded people are not in Germany. Many of them can be found at

the head of Canadian industries. I am afraid that a few can be found around the Department of Munitions and Supply.

We have, I understand, a bureau of public information. At least I get through the mail a weekly budget of information after most of it is a week old. For obvious reasons—because of their age, I presume—these budgets of information do not carry any date. I have in my hand at the moment one that came not so very long ago from the Canadian office, but which seems to have originated in the British ministry of information. Here is the heading, "Nazis Crush Belgian Trade Unionism." Then follows a short statement by Max Buset, a member of the Belgian Labour party and at one time a Labour member of the Belgian parliament. I shall quote only two or three sentences from this statement. He says:

> One fact emerges quite clearly from all we have heard, and that is the complete destruction of the trade union movement, such as we have known it up to May 10, when the nazi fury descended upon my unhappy country.

The first thing the nazis do when they get control anywhere is to destroy the protective institutions which the workers have built up through the years. Trade unions, labour parties, cooperative movements—all these go. But I want to ask you, Mr. Speaker, what is the difference between the philosophy of the man who crushes the Labour movement and the man who will not allow the Labour movement to come into existence, who will not allow a trade union to be born. What is the difference? No difference whatsoever. The mind of one is the mind of the other. Both minds are totalitarian in every respect; totalitarian in every sense of the word.

I had the opportunity of sitting in at some of the sessions of the recent convention of the Trades and Labour Congress of Canada held at Vancouver, and I wish to say that if the temper of the delegates at that convention is any indication of the temper of the rank and file of the workers throughout the country, it is not good. At the convention strong exception was taken to the interference by the Department of Munitions and Supply, through its director of labour relations, in the matter of wages and labour conditions in war industries. It seems to me that if the facts are as stated—and the delegates to the convention were intelligent men and ought to know—then such a condition should cease at once.

I have before me a report which appeared in the Vancouver *Province* of the discussion on a resolution condemning the Department of Munitions and Supply for interfering with wages and labour conditions. The subheading is:

> Decisions of munitions board called prejudicial to labour.

Then it goes on:

> H. B. Chase, director of labour relations for the board of munitions and supply, came in for fiery criticism Thursday when the Trades and Labour Congress adopted a resolution calling for the restoration of the single authority of the dominion Department of Labour.

One of the delegates said that—

> . . . Chase had violated the entire spirit of the Industrial Disputes Investigation Act.

He continued:

> On his visit to Vancouver last year, Chase had opposed the rate of 90 cents per hour suggested by the conciliation board which investigated the situation, and had declared he was "going to see no more shipbuilding contracts came to this coast."

That is, to the Pacific coast. It was also mentioned that no one knew upon whose recommendation Chase was put on the board. I pointed out last year that he was the only Labour representative on the munitions and supply board; yet, as I have said, at the Trades and Labour Congress, where 250 delegates were present, nobody knew by whom their representative on the board had been recommended.

The adjustment of labour-employer relations is a business in itself. It requires the understanding and experience of people who have been trained in that kind of work.

I suggest to the Minister of Labour (Mr. McLarty) that he assert his authority in his own department. It is, perhaps, too much to expect that we shall have a proper understanding between workers and employers in our war industries so long as a man like Mr. Bateman, with his mediaeval ideas of the relations which should exist between employers and workers, is economic adviser to the Minister of Munitions and Supply (Mr. Howe).

We should always bear in mind that we are waging a war for freedom; not freedom for the strong and powerful but freedom for the weak and defenceless. We are also fighting a war for democracy, and every victory for democracy at home will harden the will to resist nazism everywhere.

In the few minutes which are left to me, Mr. Speaker, I wish to say a word with regard to the defence of Canada regulations. I want to support the position taken by the acting leader of this group (Mr. Coldwell) when he spoke some days ago. I was glad also to note that last night the hon. member for North Battleford (Mrs. Nielsen) dealt

intelligently and comprehensively with the subject. Although it is now nearly fifteen months since these regulations were passed, by order in council, there has not been in this house any adequate discussion of them. I know that a special committee was appointed last year to review the regulations, but it met in camera, so that only the members of the committee have any knowledge of what was placed before it by those who are charged with the enforcement of the regulations, or of representations made by organizations or by individuals. I am not denying the necessity of special regulations in war time for dealing with espionage, sabotage or other activities intended to impede our war effort. But surely it is possible to protect the state and do it in such a way that reasonable men will be satisfied that injustice is not being done to innocent persons. That is a most important thing—that the public mind shall be satisfied that these regulations are so enforced that innocent people are not punished. During the closing days of the last session I brought to the attention of parliament the phase of the regulations to which I am now referring. I pointed out at that time that a number of men who held positions of responsibility in trade union organizations had been interned without the fact having been made public and without having been given any adequate opportunity of meeting the charges against them. Counsel for some of the internees have found the two review committees established under regulation 22 to be almost entirely valueless. I have under my hand a statement of two counsel describing the procedure followed by the review committee. According to the statement, the judge comprising the committee has before him the departmental file, the contents of which are not disclosed to the internee or to his counsel. The judge then proceeds to interrogate the internee, who has no knowledge of the nature of the evidence against him or of the facts on which the evidence is based. Surely this is a most undemocratic and improper review procedure. I am quite willing to agree that in the nature of the case it may not be possible to confront the accused with the witnesses, and that it may also be necessary to hold the review in private. But precisely because the ordinary court procedure of examining and cross-examining witnesses may not be feasible, it is doubly important to take every precaution against error and injustice.

I therefore suggest that two amendments to regulation 22 must immediately be made. First, the review committee should be enlarged, to consist of at least three persons, since in the nature of the case the committee must act as jury as well as judge. Second, the internee and his counsel should be provided with a full statement of the evidence and the facts alleged, in order that they may be in a position to meet them and to establish if possible the innocence of the accused.

I do not want what I am saying to be taken as unfriendly criticism of the Minister of Justice (Mr. Lapointe). I am quite willing to admit that his position is not an easy one. On the one hand, he is charged with protecting the safety of the state against the actions of subversive individuals—persons who in many instances give their first loyalty to other governments; on the other hand, he is entrusted with safeguarding the life and liberty of every Canadian citizen until he is proved guilty of some crime or action inimical to the welfare of the country. In time of war this is not an easy task.

At the time of the invasion of the low countries and of the Scandinavian countries when the hue and cry went up against fifth columnists, I received many resolutions and telegrams asking that this and that authority be set up to deal with subversive activities. In all cases I refused to give my approval to any such thing. I stated publicly at that time that there was no man in Canada to-day, likely to fill the office of Minister of Justice, whom I would rather have in that office than the present minister. I had hoped that his record of opposition to such undemocratic legislation as section 98 would guarantee that the regulations themselves would be liberalized and would be applied with care, but this hope has not been fulfilled. The internment of trade union officials, the arrest and prosecution of people who say things in private conversation or under the influence of liquor, the use of the regulations for the purpose of arresting people who do peaceful picketing, and the general interference with freedom of speech and association constitute in my opinion as serious a threat to democracy in Canada as the country has ever seen. The least that the minister and the government can do is to provide a proper review procedure for those interned.

I was sorry that the Prime Minister (Mr. Mackenzie King) did not see fit to be more explicit as to the peace aims of the government. He said that if nazi Germany were not defeated, there would be little of freedom, truth and justice left in the world. I admit at once the truth of that statement, but it does not follow that if Germany is defeated, freedom, truth and justice will automatically flourish. We fought for freedom, truth and justice in the last war; millions of young men died in the belief that they were fighting for

these things; but we did not get them. After the last war the struggle for wealth and power in this country went on with unabated fierceness, and we have had ever since wealth and poverty, want and abundance, mansion and hovel side by side, even in more glaring contradiction than before 1914-18.

Just as a closing word I would say that in our fight to destroy Hitlerism we must remember those basic things for which we are actually fighting. We must demonstrate, not by words, but by action, that, as J. B. Priestley said a few days ago, "democracy is a creative principle," and that we believe in it. If we are going to win this war we must begin now to break the power which enables a relatively few to appropriate to themselves the value of the labour of our people. Unless we do this we shall lose the war, whatever the result of military operations may be.

Mr. WALTER LITTLE (Timiskaming): I had not intended to speak at this time, but in view of the remarks made yesterday by the hon. member for Cape Breton South (Mr. Gillis), I felt it my duty to set him right on some statements he made. In the first place, I wonder whether the hon. member is in favour of law and order. He states that in Kirkland Lake there are 250 men in uniform, carrying guns and so forth. That is not exactly true. There are 100. In the next place, he said that no one in that town knows what these men are there for. If he had taken proper steps to find out from people who are in a position to inform him, he would have been able to ascertain what these men are there for. They are volunteers who have freely offered to assist the local municipal police in keeping law and order in that town. Every one of them is a citizen of the town and is as good a Canadian citizen as anyone in this house. Some of them are working men; some are doctors; others are clerks, merchants and so on. I am very much displeased at the statements the hon. member has made with regard to these men. He says also that they look like the storm troopers of Hitler. I have never seen Hitler's storm troopers and do not know what they look like, but I may tell the hon. gentleman that if they look anything like these men they are a good looking bunch.

I consider it most unfair for a man to go into a district such as mine, or into any other part of the dominion, and to pick up statements here and there to suit himself, without taking the trouble to get authentic information from the proper source. As I said before, if he had gone to the reeve of the town or to the provincial police or to any of the men in the organization, he would have been correctly informed.

I should like to tell my hon. friend that at least 1,700 have enlisted from Kirkland Lake and district, and if that is not evidence of loyalty from a small town in that section of Canada I do not know what is. I have lived in the township of Teck for twenty-seven years; I know every man on that organization; I could name every one of them by their first names. I believe that the hon. gentleman should retract what he said and let the public know that he was misinformed. I do not know who gave him the information, but I can tell him the individual who gave it did not know what he was talking about.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. THOMAS REID (New Westminster): Mr. Speaker, the present session of parliament was called principally in order that we might hear of the efforts of the government in connection with our war activities since parliament adjourned last August, and also hear representations regarding other activities as well. Personally I believe it to be the duty of all hon. members, whether on the opposition side or on the government side of the house, to bring to the attention of the government such matters as they consider it advisable and necessary to mention, because I believe that such matters, so long as they are not of a carping or personal nature, will be welcomed by the government, who during these strenuous days of trial must look to the elected representatives of the people for help and guidance.

It is my opinion that the people of Canada are well satisfied both with the efforts of the government and with the government itself. I challenge anyone to name a better qualified personnel than that forming Canada's present war cabinet. It may well be that the opposition do not entirely agree with that statement, but I am confident that the majority of the people of Canada will agree with it, just as I am confident that they have all faith in the integrity and ability of these men. What is most interesting, as well as extremely laudable, is the fact that from the beginning of this war up to the present time there has not been the slightest breath of scandal or suspicion of profiteering.

The other day, Mr. Speaker, you gave a ruling with regard to the reading of speeches, and for a moment I should like to refer to that matter. First I should like to compliment you upon the ruling you gave, but at the same time I should like to sympathize with you in your work of carrying it out. I quite

realize the task ahead of you; but I am confident that if it is carried out in a manner fair to all, you will have the support of all hon. members both in spirit and in deed.

There are differences of opinion with regard to the reading of speeches. I know there are those who hold the view that it might be better if speeches were read, and again there are those who do not believe that speeches should be read at all. My view is that if the practice of some hon. members reading their speeches is permitted to continue we might very well have in this parliament what in bygone days was the practice in the parliament of Great Britain; that is, we might have writers and others making a living by writing speeches for members of parliament. In that event we would have to listen to the views of writers and others outside this parliament who are not responsible to the people, such as the members of the house are. There is that danger, and I compliment you, Mr. Speaker, upon your decision, which I have no doubt will be impartially enforced in regard to all hon. members.

So far, as we all realize, the present conflict has been of a highly specialized mechanical nature, with the ingenuity of man having been turned to the production and use of fearful and scientific weapons. I believe, however, that Canada has overlooked up to the present, and is still overlooking, a powerful weapon which could and should be used in this war. I refer to the power of the radio. For some considerable time Germany has been using the radio in such a manner that it has become known as Hitler's secret weapon. At present Germany broadcasts day and night in twenty different languages, sending out propaganda—a great deal of it, if not all, lying propaganda—designed not only to create confusion in the minds of those who hear it but also to foster in the minds of those people sentiments hostile to Great Britain and her allies and favourable to Germany herself.

I believe Canada should commence immediately the construction of a high-powered shortwave broadcasting station so that speeches might be sent from this country to any part of the world it might be thought desirable. A short time ago the right hon. Minister of Justice (Mr. Lapointe) made a splendid speech over the air to the people of France. That speech, however, which I feel sure was of inestimable value and benefit not only to the people of that distressed but heroic country but also to the people of Great Britain, did not go direct from Canada to France as it should have done; it had to be relayed by way of the British Broadcasting Corporation facilities.

I am going to ask the government to give serious consideration to the erection of such a high-powered shortwave radio station, to which should be attached a foreign languages bureau. German propaganda is going out over the air not only to European countries but particularly now to the people of the United States and South America. Yet Canada is sitting idly by, doing nothing whatever to counteract that dangerous propaganda which is intended by Hitler to react against Great Britain and even ourselves. To illustrate my point I should like to cite one recent instance, the speech of United States ambassador Joseph P. Kennedy, in which—presumably speaking off the record, although some of us doubt it very much—he criticized Great Britain and gave it as his opinion that democracy in that country was finished. Not only was that speech broadcast throughout the United States and Canada by means of the press; it was immediately picked up by Germany and broadcast over the air to the United States, Canada and other countries as well, solely for the purpose of creating confusion in the minds of the people and bringing about an unfavourable reaction towards Great Britain. In my opinion Canada could render a valuable service by explaining to the people of this entire continent both north and south just what we are really fighting for and pointing out what it would mean if it is made possible for Hitler to win.

If I had anything to do with such a shortwave station I would not have these broadcasts made by certain professors from some of our colleges, and there are others I could mention. I would choose practical men, men of understanding and ability. At the moment I have in mind two outstanding men in this country who could render great service in this manner; I have in mind the right hon. Prime Minister (Mr. Mackenzie King) and the right hon. Minister of Justice. If the services of the Minister of Justice could be utilized to speak in French to the French people, and those of the Prime Minister to speak to the people of the United States and, in fact, the entire American continent, both of these estimable gentlemen would render a wonderful service to Great Britain and to France. Great Britain is endeavouring to the best of its ability to circumvent the propaganda emanating from Germany and directed toward the people of this continent.

There is a further point in connection with the establishment in Canada of a shortwave radio station. As everyone knows, we have lost for the present all our markets on the continent of Europe and no none can tell what the outcome of this war will be or when we shall again have markets on that

continent. Therefore, we have been turning our eyes to South America. It is true we have been doing what we can in connection with sending trade commissioners, but had we a shortwave radio station we could aid these commissioners by broadcasts in the languages of the South American countries. A shortwave station would bring other countries closer to us and would enable us to be better understood by their peoples.

I should now like to deal with a matter having to do with enlisted men. I refer particularly to the dismissals or discharges which have taken place of men who enlisted in good faith after being medically examined and declared to be A 1. Many of these men left lucrative positions. They were examined by doctors; some, if not all, were X-rayed, and were accepted by the army as being physically fit. Later on, after a subsequent examination, some were discharged from the army and they now find themselves without jobs or money. I ask the government and the minister to take note of this serious condition. I am not speaking of the odd case; these discharges have been so numerous that to me they indicate that something is wrong with our system of medical examinations.

It was understood that there would be no haste in examining men who offered themselves for enlistment. During the last war there was a cry for men, but such has not been the situation in this war. I urge the government to grant to these men who have been discharged as physically unfit, leave of absence for a reasonable length of time, in order that they may become reestablished. At the same time I would call up on the carpet some of the doctors who have been making these examinations. In my humble view as a layman, if some of them were making the same blunders in private life as they seem to be doing with regard to the army men, they would not be practising medicine very long. The doctors do not suffer for the mistakes made, it is the enlisted or discharged men. I speak only for that part of British Columbia which I have the honour to represent. In my constituency at least a dozen men have been so discharged and they now find themselves without positions or funds with which to keep themselves or their families.

There is another matter I should like to bring to the attention of the government. It may seem a small matter, but as far as the mental attitude of our men is concerned these small matters sometimes mean a great deal. There would seem to be unequal treatment accorded to the members of the three different branches of the service in connection with transportation. On my way to Ottawa to attend this session of parliament I saw a platoon of forty army men on the train who had left Vancouver island to go overseas. I went through to the coach to inspect the conditions under which they were travelling and found that the men had been accommodated in a colonist car without any mattresses or bedding of any kind. One must be fair about it and say that the men were not kicking very strenuously.

The officers in charge, however, wanted to know why their men should be singled out for that kind of treatment when men belonging to the air force and the navy were accommodated in tourist cars and provided with beds. This may seem a small matter, but in my opinion we have not paid as much attention as we should in this war to psychology. All our efforts have been directed to material things. The enemy, however, is thinking of these small matters. It may be interesting to the house to know that prior to the fall of Dunkirk, Hitler gave orders that when men who belonged to Scottish regiments were captured they should be treated somewhat better than those who belonged to English regiments. He did not do this because he had any love for the men of the Scottish regiments—he had reason to feel otherwise—he did it for the simple purpose of sowing dissent among the British troops. The Minister of National Defence (Mr. Ralston) is not in the chamber at present, but I would ask him to see that the men who come under his department receive the same treatment as the men of the air force and the navy with regard to transportation.

The matter of free transportation has been mentioned, and my views accord with those of many other hon. members. It has been said that it would not be possible to grant free transportation to all. There is, however, one service which I think should be singled out for special treatment. I refer to the boys and seamen who may have been at sea for months and months on end, not coming near to land for weeks, let alone being able to go home. I was glad to hear the Minister of National Defence for Naval Affairs (Mr. Macdonald) say that consideration will be given to this class of the service.

Whilst I have every confidence that the government is doing everything possible in connection with our war effort. I am of opinion that many of our cabinet ministers are overworked. Some of them have far too many responsibilities to give attention to all matters which should receive attention. Not that I have heard any one of them complain,

but our war effort is getting so great that even members of parliament find it difficult to know all the boards which have been set up or even to find their telephone numbers. We are getting into a maze of boards. I would remind the government that the only voice the people of this country have is that of their elected representatives, and I ask the government to see that the elected representatives do not become the "forgotten men" of this war. While it may not be the fault of any single member of the government, all kinds of boards have been set up and it might very well happen that at the conclusion of this war some of these boards will be left in charge of important Canadian industries. I view with some alarm this tendency and deem it my duty to draw it to the attention of the government.

I have one other criticism to offer with regard to our war industries. The new factories which have been set up so far have been, generally speaking, centralized in two provinces. I feel that is a most unwise policy, both nationally and for the safety of the nation. Who is there in this house who would dare to say that this country will never be invaded? Nay, I will go further and say that there is a possible danger of invasion. If that is so, are we then going to continue the policy of grouping Ontario and Quebec with all the major industries engaged in our war activities? I say to the government that this is an unwise policy from the point of view of the safety of the nation, and it is just as unwise as a matter of national economics.

I heard one member of the house speak this session about the farmers in his community who, he stated, were closing up their farms because of lack of help. The help was going into war industries at more remunerative wages. That was most interesting to those of us who come from British Columbia because there, for a very different reason, we find farmers closing up their farms or, in other instances, hanging on to them precariously. The farmers in British Columbia are faced with an abundance of produce in their cellars and barns, and at the same time witness large quantities of farm products from across the line brought in by the use of Canadian funds and sold at lower prices. Our farmers see this produce coming in and passing by their doors while their own produce lies at home without a market. I mentioned this matter in my last speech, Mr. Speaker, and I repeat it now, and make the further assertion that if the industrial plants of this country are to continue to receive high protection, so should the farmers.

Before passing from that, I am going to make one further suggestion to the government, and that is with regard to overtime being worked in our war factories at the present time. So long as there is help available and an abundance of it, both skilled and especially unskilled, as there is in British Columbia, no overtime should be allowed. It is not good for the worker himself and it is certainly most unjust to the unemployed.

We have been wondering about the enthusiasm of the people in this war. We have witnessed the splendid spirit which has been exhibited by the British people, and while that spirit is indeed splendid, it is noteworthy that almost everyone in Great Britain who has been able to do any work has been employed in war efforts in one capacity or another. But in this country we have people both able and willing still wondering what it is all about. I would ask the government to take note of the surplus labour we have in some of the provinces and see if something cannot be done about the matter.

A short time ago we heard a wonderful speech by the Minister of Agriculture (Mr. Gardiner).

An hon. MEMBER: Not so wonderful.

Mr. REID: Not so wonderful for some, very true. In that speech he outlined the agreements entered into between Great Britain and Canada for the purchase of $105,741,000 worth of certain commodities produced on Canadian farms, and he outlined to us the order of preference in which Great Britain desired to purchase these commodities for her people. I believe that one of the reasons for the hesitancy with which Great Britain has been making purchases of our farm produce is the lack of sterling available for imports, and I pause here for a moment to remind the members of the house that when we are asking Great Britain to purchase Canadian goods we should at the same time ask ourselves how Great Britain can purchase from us if we refuse to purchase from her. You cannot sell all you have and refuse to purchase anything in return.

If it is correct that British sterling is not readily available for all purposes—and I have every reason to believe that that is so—I would ask the government to consider making a gift to the people of Great Britain of Canadian farm produce and Canadian fish. The Canadian people have always been ready and willing in days gone by to come to the aid of people who have been stricken either by earthquake or by flood. Why then should we not now come to the aid of the stricken

people of Great Britain who are holding the fort so valiantly in what is known as the battle of Britain? We have plenty of Canadian farm produce for which we cannot at the moment find a market, and we have also in British Columbia, in our warehouses and cold storage plants, plenty of fish for which no market can be found. Great Britain, I believe, would be glad to take all our food supplies if she did not require sterling exchange for the purchase of war materials. Therefore I ask the government to consider seriously the making of a gift to Great Britain of our surplus farm products and other foodstuffs, including fish.

There are many other matters with which I can deal only briefly because my time is passing. I would draw the attention of the Minister of Agriculture and the government to an article of food which we could very well provide for Great Britain but which we are not providing in as plentiful a quantity as would easily be possible in Canada. Prior to the war Britain was the greatest importer of eggs of any country in the world, and I understand that the people of Great Britain would like to have eggs now. In 1920 Great Britain imported 261 million dozen of eggs, mostly from the countries of Europe which have been conquered and overrun by Germany. In 1938 we supplied Great Britain with only 1½ million dozen eggs, and even though we have supplied Great Britain this year with something over 10 million dozen eggs, that is but a fraction of the great quantity of eggs which she requires and could do with.

As evidence of the small supply of eggs available for export from Canada I point out to hon. members that when the Minister of Agriculture was in Great Britain negotiating these agreements, Great Britain did not consider it worth while to enter into any agreement for Canadian eggs because our supply was too small. Here, Mr. Speaker, is a splendid opportunity for Canada to become the empire's egg basket. We have large quantities of wheat and Great Britain is taking as much of our wheat as she possibly can. But some of our wheat could be turned into another and different valuable food product and supplied to Great Britain in the form of eggs, which she would take in great quantities if we only had them to give. I ask the government to consider this opportunity and to set up a committee of agricultural officials with the object in view of developing our egg production. At the same time I would ask the government to consider the excessively high price which the poultrymen of British Columbia are being called upon to pay for wheat, and we are wondering who is responsible for the high price in face of the fact that no great market can be found for the large quantities of wheat we have on hand in Canada at the present time.

Mr. JOHNSTON (Bow River): What price do they pay for wheat?

Mr. REID: It is around $1.40 per 100 pounds, which works out at about $1 a bushel.

Mr. COLDWELL: What grade?

Mr. REID: No. 5, I believe. That price cannot be wholly attributable to freight rates, of which I shall have more to say later in the session. When such a high price obtains, it is evident that something is radically wrong, and I would suggest that the war-time prices and trade board take note of it and ascertain why the people of British Columbia or any other province should have to pay such a high price for wheat when outside of Great Britain we have no market for our Canadian wheat to-day.

The leader of the opposition (Mr. Hanson), in his speech the other evening, gave it as his opinion that the people of Canada are not taking this war as seriously as he thinks they should. I am rather inclined to that view, and I am frank in saying I cannot give any reason why it is so, because, as every hon. member and all other people in Canada know, conditions are serious indeed. But if such a state of mind does prevail, I believe it is the duty of this parliament to investigate and, if possible remedy it, for we must not let our war efforts or enthusiasm lag. Enthusiasm should be maintained from one end of Canada to the other until we are victorious.

People ask about conditions after the war; and this afternoon one hon. member inquired as to Canada's peace aims. While it is important that we give some thought to the aftermath of the war, all our thoughts and energies must now be directed to the present conflict, to assure that first of all Hitler and his forces shall be defeated. We are not only fighting for democracy, at the present time we are fighting for our very lives, and that is all-important. He would be a bold or wise man who to-day would attempt to predict what will come after this conflict. But, knowing the weaknesses of our own system in the past, and realizing the sorrow and suffering which some of those weaknesses imposed upon many of our citizens, I pray that our fight will be on behalf not of yesterday, but of a to-morrow, and that it will lead to the remedying of those conditions and the bringing about of a more lasting peace and happiness in the lives of untold millions of people.

Mr. J. G. DIEFENBAKER (Lake Centre): Mr. Speaker, I am in agreement with many of the ideas expressed by the hon. gentleman (Mr. Reid) who has preceded me, and particularly with the concluding words of his address, that while the expression of our peace aims should be kept before us, at this time our duty as a parliament is to do our best to ensure that first things shall come first, and that this empire shall be victorious.

Our main purpose in meeting in this short session is to hear the reports of the various ministers of the crown. As I listened to the comprehensive report of the Minister of National Defence for Air (Mr. Power) I was thrilled, as other hon. members must have been, at the magnificent record of the Royal Canadian Air Force. Coming as I do from Saskatchewan, it will be understood what pride I have in the fact that the commander of the Royal Canadian Air Force overseas, Squadron Leader McNab, is a native of my own province. During the eloquent address to-day of the Minister of National Defence for Naval Services (Mr. Macdonald), in which he told of the vigilance of the Royal Navy and also of our Canadian fleet in protecting our shores and in guarding our convoys, I thought of those young men from the prairies in the Canadian fleet who had never before gone down to the sea in ships, and many of whom until the outbreak of this war had never seen the sea. The record of our air force, the courage and the initiative of our navy, and, above all, the heroic resistance of Britain during the last months, have revived and revitalized our empire.

Someone has said, "Who dies if England live?" I paraphrase those words this evening and say, "Who lives if England die?" The attitude of this empire was epitomized the other day in the words—the immortal words—of Captain Fogarty Fegen of the *Jervis Bay*, "We are closing in closer to the enemy." Faced as he was with overwhelming odds, he went into action, counting not the cost, and in death he saved the lives of others. Parliament is convened at this time to assure the Canadian people that Canada is closing in on the enemy, by a redoubled and ever-increasing contribution to the empire's war effort. To-day, in consequence particularly of the resistance of the people of London, predictions are freely made of an offensive shortly to come. All of us in this parliament, irrespective of political faith, are agreed that there must be no apathy and that the war effort of this nation shall be relentlessly pursued. That is why we are here—to contribute our individual share to the end that there shall be an ever-widening effort on the part of Canada.

We of the opposition have, as I conceive it, a duty to perform. The last speaker stated and I agree with him, that it is not for us to indulge in carping criticism. It is our duty fearlessly to place our views before this parliament and this country. It is not for us to be overwhelmed by the government's superiority in numbers. If we indulge in unfair criticism, ours is an improper part. In this war, party considerations and prospects should be forgotten in a common endeavour to secure the highest and utmost degree of aid to the empire. In the United Kingdom there is active cooperation by all political parties, with the one reservation that individual members have reserved to themselves the right to criticize. But they cooperate. The Churchills, the Beaverbrooks and the Bevins, irreconcilable in many major matters in time of peace, are united in the hour of the nation's danger. We on the part of this opposition are denied active participation in the affairs of the country at this time, but we do claim the right of cooperation and the right of constructive criticism.

If I understand the vote in the last election, it amounted to this. The people of Canada wanted the party system of government to continue, but they did not want, nor did they vote for, partisanship in the conduct of this war. Democracy can function only when an opposition is prepared fearlessly to spur on the government where it lacks and lags and at the same time to cooperate where it succeeds.

Lord Tweedsmuir, in his book, "Memory Hold-The-Door," has set out that view of democracy in these words:

> Democracy—the essential thing as distinguished from this or that democratic government—was primarily an attitude of mind, a spiritual testament and not an economic structure or a political machine. The testament involved certain basic beliefs—that the personality was sacrosanct, which was the meaning of liberty; that policy should be settled by free discussions; that normally a minority should be ready to yield to a majority which in turn should respect a minority's sacred things.

We on this side of the house, in the interests of an ever-widening war effort, again plead with the government of the day to give us a secret session of parliament, not in order that we may be able to ascertain matters that may be of assistance to the enemy but in order to enable us to ask questions and make suggestions that cannot be submitted in this house without danger of benefiting the enemy.

The spirit in which I approach my responsibilities as a member is this, to offer fair criticism, because it must never be forgotten that during the days of 1914-18 in this house, owing

to the criticism of members of the opposition, many millions of dollars were saved Canada in the matter of contracts; and in Great Britain, in consequence of criticism, at first ridiculed and later accepted by the government, the shell shortage which at one time threatened to bring down the empire was ultimately remedied.

There are many who say that democratic rights are being lost to-day, but with that view I do not agree. Some of these rights are being suspended on account of the greater need of national safety. Freedom of speech is one of these rights; it is of the essence of democracy. I admit, however, that in time of war there must be a pronounced degree of censorship. In what way have the people of Canada an opportunity of questioning the administration? If all members on the government side were to follow the example of the last speaker, the government would realize the attitude of the country. To-day the press of the country is in many instances subject to too censorious a censorship. Have the Canadian people an opportunity to express their views over the radio?

The last speaker mentioned the propagandist value of the radio. What about the Canadian Broadcasting Corporation? It is a public body, a creation of parliament. Is it tending to become the creature of this government? Two weeks ago there appeared in Toronto *Saturday Night* an article entitled, "It is your two and a half bucks." In that article there are set forth in detail certain principles governing the broadcasting corporation, one of which may be summarized thus: that anyone may use the radio in this country so long as he complies with the law, subject to this proviso, that he endangers himself and also the particular station over which he speaks if he indulges in anything of a nature that might undermine the war effort of the dominion. In that article by "Politicus" these words appear:

> Instead of leaving that section alone as the policy of the Canadian Broadcasting Corporation to-day, plus the provisions of the defence of Canada regulations, the Canadian Broadcasting Corporation has put responsible groups of parliament on the banned list. And without a public announcement to those parties.

The people of Canada have a right to know whether that statement is correct. They have a right to know whether a ban has been placed on political parties. If it has, by whose authority was it imposed? In my opinion it is the negation of democracy.

We of the opposition can make ourselves heard only over the radio. If that right or privilege, the right of free and untrammelled discusion of public affairs, with a view to the creation of public opinion, has been denied to us, the essence of democracy has been destroyed. The Minister of Munitions and Supply (Mr. Howe) is not in his seat at the moment, but I suggest that immediately there be instituted an investigation of the Canadian Broadcasting Corporation; for, if the Canadian Broadcasting Corporation has become a party vehicle, parliament and the country should know the facts. Why has that investigation been refused by the Minister of Munitions and Supply? Has the day come in this dominion when a publicly owned corporation may become a vehicle for the dissemination of information tinged with partisan bias and yet be above examination by a parliamentary committee?

We have not the numbers on this side of the house to enforce our demand for the setting up of a committee to investigate the matter of radio, but I am asking members on the government side of the house: Will you not support us in our stand that such an investigation take place?

There is one phase of help that we might give to this empire that has not yet been dealt with except by the last speaker. As I apprehend it, this parliament should be concerned with the building up of morale in the empire as well as in Canada. As the last speaker stated, the United Kingdom needs a healthy and increasing export trade to Canada. Her increasing import of war materials requires an increase in exports in order to finance it. Recently in an editorial in the Manchester *Guardian* the following words appear:

> We can win the war only if we can pay for it by our exports after all our other resources in gold, foreign securities and services have been exhausted. Exports therefore can be counted as munitions of war.

What do we find? British exports to all parts of the world are decreasing. For last July, exports from Great Britain decreased by 22·7 per cent compared with the corresponding month in 1939. The volume of British imports increased during the same period by 11·2 per cent. Britain cannot continue her maximum war effort unless all parts of the empire increase their purchases from her. In an editorial in the Regina *Leader-Post* these words appear, summarizing the view I am endeavouring to place before hon. members:

> Armies, navies and air fleets are vital in the winning of wars, but the "economic arm" also plays an essential if less spectacular part. Canadians are helping to win the war with the formidable aid they are giving on land, sea and in the skies, but they can also help by buying British goods on as liberal a scale as possible.

My suggestion to the government is, launch a "Buy British" campaign in Canada. This campaign need in no way injure Canadian business or, in particular, Canadian Manufacturers. I have a table here which with the leave of the house I should like to place upon *Hansard*. In it are set out in detail the exports from Great Britain and Japan of cotton goods during the years 1937, 1938, 1939 and the first nine months of 1940, showing generally that during that period of time Britain's exports to Canada have been continually decreasing, while Japan's exports to Canada have been continually on the increase, phenomenally so. The table is as follows:

Towels—Cotton (in pounds)

Year	United Kingdom	Japan
1937	960,073	74,316
1938	708,680	275,781
1939	714,483	329,421
1940 (9 months)...	308,919	139,946

Sheets—Cotton (in pounds)

1937	286,852	2,165
1938	187,780	40,363
1939	106,507	165,307
1940 (9 months)...	31,227	20,547

Quilts and Counterpanes (in pounds)

1937	167,137	1,399
1938	141,854	8,106
1939	106,293	44,973
1940 (9 months)...	44,765	4,024

Handkerchiefs—Cotton (in pounds)

1937	394,896	139,455
1938	328,985	162,319
1939	326,269	350,687
1940 (9 months)...	190,889	237,442

Woven Fabrics—Cotton (in pounds)

1937	112,145	87,618
1938	33,836	88,935
1939	19,642	112,616
1940 (9 months)...	27,576	140,635

Cotton Flannels—Sheetings and Pillow Cotton (in pounds)

1937	404,502	3,351
1938	216,329	2,004
1939	242,519	300,519

Great Britain during that period of time has been getting the short end. My suggestion is that this condition could be improved by such a campaign as I suggest, thereby giving material aid to Britain.

What of the home front? What of the situation in Canada as a whole? There is no denying the fact that throughout Canada to-day there is a growing feeling of resentment at the failure of the government to cut down controllable expenditures, at the fact that many appointments to high positions are being made that savour of political considerations. In that connection I mention particularly the Department of National War Services, that omnibus department, appointments in which sometimes reveal that political fitness is apparently a prerequisite qualification. Then there is a suspicion that contracts are being awarded in some instances to mushroom companies which have sprung up in recent months, and whose main capital is political fitness.

Mr. CLEAVER: Name them.

Mr. HOMUTH: The hon. member will get them; just let him wait.

Mr. DIEFENBAKER: I will give him one, a corporation set up in the city of Prince Albert to do construction work, the National Construction Company Limited. It never was in business before; it is composed of six men, unqualified in that work, whose one qualification is political fitness.

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

Some hon. MEMBERS: Sit down.

Mr. CLEAVER: I know him, I think he would.

Mr. DIEFENBAKER: Yes, I will permit a question.

Mr. CLEAVER: Would the hon. member suggest that that contract awarded to the National Construction Company was not awarded to the lowest bidder?

Mr. HANSON (York-Sunbury): That is not what he is saying at all.

Mr. DIEFENBAKER: I suggest that if it was, there were sufficient delays that that company finally knew what the lowest tender would be.

An hon. MEMBER: Is that the way you did it when you were in power?

Mr. DIEFENBAKER: Mr. Speaker, I do not claim that there is any monopoly in patriotism on the part of any party. I remember some conditions of 1914-18, but I remember that when there was wrongdoing those who did wrong were punished under the orders of the then Prime Minister, Sir Robert Borden.

The suggestion I want to make is this: There are millions upon millions being spent on war contracts, and we have no information as to the prices paid. Regularly a book is issued by the Minister of Munitions and Supply, setting out the contracts awarded—

Mr. HOMUTH: It tells you nothing.

Mr. DIEFENBAKER: —but it gives no particulars of the prices paid and therefore is worthless, except that it shows that the government is spending money.

Mr. CLEAVER: And shows the contract price.

Mr. DIEFENBAKER: It is apparent that the hon. member has not read the reports in question.

Mr. CLEAVER: I have read the reports, and they show the total contract price, not the unit prices.

Mr. DIEFENBAKER: The annoyance shown by the hon. member is enough to arouse one's suspicion. What I am asking is, in the public interest and in the interest of our war effort give us particulars as to prices. It may take some time. If the prices are reasonable—and I hope they are—the publication will tend to restore confidence. Concealment can only breed suspicion, and suspicion can only breed disunity. Publicity will do no harm with the vast majority of patriotic manufacturers or other suppliers of war requirements, who ask only a fair profit. But it will be an instrument of fear to the minority who would take unfair advantage of the sacrifices of this nation and empire at this time to charge monopolistic prices. I advance this argument in all sincerity, not with a view of political advantage to any party.

Look at the situation in connection with the last war loan. The response was dilatory. Why? Because on every hand people were saying, Is it possible that things are not right and that maximum benefits are not being received from the expenditure of money? Such publication would do away with that suspicion.

I suggest further that there be set up in this parliament a public accounts committee, giving it power to examine contracts, not of a year ago but up to date. There need be no political partisanship in the deliberations of such committee. Have the investigation or examination behind closed doors, if you will. You insist that there be no suggestion of partisanship. I point to the committee that met here last session, composed of members from all parties in this house. We met together for a period of more than three months, and while there may have been some shortcomings, our whole aim was to make sure that this nation should be free from subversive activities. Set up such a committee; no one need have anything to fear so long as reason and judgment prevail. Is there anything out of the way in that suggestion? We must keep up the morale of this nation, and we can do that by having people realize that the money they contribute and the sacrifices they make will not be dissipated.

I should like now to say a word with regard to our soldiers and sailors. We all agree that the morale of our fighting men and their dependents must be maintained. I join in the demand that these men in the service be given free transportation during their official leaves. At the same time I suggest that a regulation be passed assuring these men, who are spread all over Canada, of a minimum length of time at home. To the man on service nothing matters so much as his home. I also commend to the Postmaster General (Mr. Mulock) the suggestion advanced by the hon. member for Peel (Mr. Graydon) that free postage be allowed on all mail to and from men in the service. That would not be costly, but it would be a tangible recognition and appreciation of their services.

Again returning to the home front I should mention the magnificent work being done by women in connection with the Red Cross and other charitable works and aids to the soldiers. They did wonderful work in the last war and are doing wonderful work again in this war. I think they merit the highest commendation and, what is more, recognition by the government. I suggest to the Minister of National War Services (Mr. Gardiner) that women be given representation in that department, in order that they may correlate and organize the work of women throughout Canada. According to recent statistics of the Department of Labour there are in Canada to-day 52,500 employable men who are still unemployed. Bearing in mind the development of industry on every hand, I believe the time will come when it will be necessary to utilize the services of women in industry to take the places of men who are on service. To-day voluntary organizations are to be found across Canada, from Vancouver and Victoria on the west coast to Halifax in the east, receiving instruction in first-aid training and home nursing, and in motor mechanics. These organizations should be recognized; and I suggest to the government that in anticipation of the need for women in industry, courses be set up at once in connection with munitions manufacture, aeroplane construction, motor mechanics and gas-mask manufacture. Provision might be made for the enrolment of women along the line of the army auxiliary corps in the last war, in which women were enrolled for the period of the war, not under the war department but under a government department similar to the Department of National War Services.

I shall conclude by referring to agriculture. In common with British Columbia, which was referred to by the last speaker, Saskatchewan has not benefited to any extent as a result of the development of war industries. In fairness to that province I think some of these industries should be established there. The services of many trained mechanics are not being utilized. Small machinery plants, that could turn out munitions as they did in the last war, are not being called into service. I am sure the speech from the throne will be received with deep resentment, certainly with great disappointment, all over western Canada. It contained no announcement of any policy designed to relieve the plight of the wheat farmer. Therefore I have no apology to make for supporting the amendment moved by the leader of the opposition (Mr. Hanson), which states:

> And this house further regrets that despite the serious condition of agriculture no effective action is proposed to alleviate that condition and to ensure to the Canadian farmer a just, fair and reasonable return for his products.

I had hoped that the Minister of Agriculture (Mr. Gardiner) would have something to offer. He spoke at some length. He made a political speech, to start with; then, instead of enunciating a policy which would be of some immediate benefit to the wheat farmers he expressed a speculative hope that at the end of five years all would be well, or at least that the surplus would have disappeared. It was not a five-year plan; it was a five-year hope. The western farmer wants to know: first, is the government going to do anything to assure him of a fair, just and reasonable return for his wheat; second, is the interim payment that was promised in the election of 1940 going to be paid, and when; third, is the government going to make advances to the farmers on the wheat held in storage? To all those questions no answers were given, no reference was made.

Then the western farmer wants to know whether the government intends to do anything to remove the injustice suffered by him to-day in the matter of grading wheat. The farmer is paid on the basis of 70 cents a bushel for No. 1 northern wheat at Fort William, but wheat that should grade No. 1 is being graded No. 2, No. 3 and, in some instances, No. 4. Is that for the benefit of the Canadian farmer or is it for the benefit of the elevator corporations, who to-day all over western Canada are building large storage facilities which, according to the hon. member for Qu'Appelle (Mr. Perley) will pay for themselves in three months. And what is more, under the arrangement entered into by the government and these companies, the cost of these facilities will be written off as depreciation within two years.

I have one further question to ask. What is going to be done about the payment of the bonus? In my constituency a substantial crop area was destroyed by drought and hail. The farmers want to know why they do not receive the bonus in November instead of in May. How are they to carry on through the coming winter? Is there any justification for the continued postponement of the time when a decision must be made as to whether or not the bonus will be paid? Surely this parliament has the right to know that. The Minister of Agriculture did however, make one admission. On April 5, 1939, he announced in this house that a farmer could produce wheat at from 30 to 40 cents a bushel, but speaking in the house the other day he said, as reported at page 102 of *Hansard:*

> It is generally admitted that 70 cents advance at Fort William, which nets the farmer about 50 cents a bushel, does not cover his total costs of production and therefore does not maintain him as a contented producer. If he is to receive more money, it must come from the sale price of wheat, or from the taxpayers of Canada, or from both.

Not one thing did he say as to the future, except to express a hope of what might happen five years hence. He did, however, make one statement which I hope does not represent the considered opinion of the government to which he belongs. At page 94 of *Hansard* the following appears:

> Why should this government change its policies on agriculture? The policies are essentially Liberal. The policies were endorsed in peace-time by the farming population of Canada when proposed in 1935. The policies were put into practice for four years and endorsed in war-time no later than March 26 last.

What does that mean? Apparently he forgot the results in the Saskatoon election which was fought after the farmers of western Canada began to realize that the promises made in the last session were not being put into effect.

An hon. MEMBER: Saskatoon is a city seat.

Mr. DIEFENBAKER: Saskatoon is a city, but there are 1,500 rural voters and most of them voted against the government. What do those words means? Do they mean this to the western farmer: Why should we do anything for you; why should we change? We secured your votes, you purchased what you are getting and your eyes were open when you voted. Is that the answer of this government to the western farmer? If it is, it means this: This is your dish of crow, Mr. Western Farmer; this is what you bargained for. The

western farmer has been told bluntly that he alone of all the producers of the necessities of war must continue to produce at a loss and be the forgotten man in the mobilization of this dominion's war effort. I protest against that attitude. Until the farmer is assured of a fair return for his products, the morale of western Canada will not be maintained.

During the last session of parliament the Minister of Trade and Commerce (Mr. MacKinnon) claimed that a policy would be announced as soon as possible. He spoke in Winnipeg on September 12, 1940, and according to the Winnipeg *Tribune* he stated that the war committee of the cabinet, which consisted of the Minister of Agriculture (Mr. Gardiner), the Minister of Mines and Resources (Mr. Crerar), the Minister of Finance (Mr. Ilsley) and himself, had always been ready and willing to advance money against farm stored grain. If they were and are, then make the advance. I quote further from the report in the Winnipeg *Tribune*.

He disagreed with the claim that the current problem of western agriculture was primarily a dominion responsibility; rather it was one for the provincial governments.

What do those words signify? What is their meaning? Do they mean that the government will do no more than it has done? Do they mean that even though the farmer has wheat in storage on his farm, he will have to depend on relief assistance to carry him through until he is permitted to sell that wheat? All I can do in this regard is to raise my voice in protest against the treatment that is being accorded to the western farmer, as evidenced by the speech from the throne. This protest will be of no avail until members representing western Canada in this house rise in their places, and, irrespective of their party affiliations, demand a fair, reasonable and just return to the western farmer and an advance on the crop at present in storage on his land.

Mr. J. A. BLANCHETTE (Compton): Mr. Speaker, I think the house at large is greatly appreciative of the excellence of the speeches which we have heard since the calling of parliament, especially those of the mover (Mr. Claxton) and the seconder (Mr. Jutras) of the address in reply to the speech from the throne. These hon. gentlemen are of different racial extractions, but they each gave to the people of their respective races admirable advice, which, if carried out, cannot do anything but help to solidify all the people of Canada into a true spirit of Canadianism. The moderation of their speeches, the seriousness and sincerity of their remarks, the profound knowledge of their theses and the absence of political insinuations in what they said, I think struck a true keynote for the speeches to follow. The first speaker who followed was the hon. leader of the loyal opposition (Mr. Hanson), but he departed to some extent from the keynote of the speeches of the previous speakers. His first words as reported in *Hansard* are:

Macdonald! What a name to conjure with. And Macdonald of Kingston! How that takes our memories back seventy-five years; yet what a difference we see. After all:

What's in a name? That which we call a rose,
By any other name would smell as sweet.

Yet one of the greatest assets of the hon. gentleman is his name.

A somewhat similar compliment could be paid to the leader of the opposition, even to the extent of the poetical tribute and annotation. As we all know, the initials of the leader of the opposition are "R.B.". R.B.! What a name to conjure with. R.B. of the loyal opposition! How those initials must take back the memories of the opposition; not so many years. We can say with the poet:

But O for the touch of a vanished hand,
And the sound of a voice that is still!

R.B.! What a name! What a source of inspiration!

All through this debate thus far there has been one point upon which all members have agreed, namely, that every effort should be put forth to win the war. I am sure that this will be the keynote of all discussions from now to the end of the war. There is no dissension on that point. That thought is unanimous on all sides, and in all sections of the house. In this we are but corroborating what an eminent writer of our day has said, namely, "What democracy has to do, and what makes it possible for democracy to continue as a functioning method of government, through the process of discussion, is to find areas of agreement on essentials." But if the end to be attained is agreed upon by all groups in the house, the same cannot be said of the means to be employed in arriving at that end. Here is where there is a parting of the ways among the various groups in the house.

We have first the group of the loyal opposition, which contends that the government's efforts since the declaration of war by Canada have not been sufficient, that more men should have been sent overseas, that more material and equipment should have been available in our military stores, that our efforts were not properly coordinated, and finally it maintains that the government has continued to "soothe the Canadian people regarding the

war effort of the nation, thereby creating a false sense of security when a clear-cut call to action is desperately needed."

The Cooperative Commonwealth Federation group criticizes the government for not having conscripted our industries, with all that that entails, immediately upon our entry into the war.

Finally the Social Credit group is critical of our war effort because the government has not had recourse to monetary reform.

The leader of the opposition stated in his speech of November 12 last, and rightly so, that it is so easy to criticize. An eminent English writer, in discussing the operation of democracy in England, says:

> We pay the minority to oppose the government, to take the maximum advantage of the government's mistakes, to insist that it is ruining the country, and to flood the electorate with propaganda intended to show that the government is doing the worst possible things in the worst possible ways.

It has also been stated that a strong and free nation comes of strong and free men, and our method of government assumes that the criticism of the opposition works in the long run for the common good of all.

At this stage of the debate it might be advantageous and I think proper for all of us to follow the oft-repeated current admonition, let us face the facts, if we wish to obtain a true perspective of what this government represents and of its achievements during the present war.

First and foremost, in my humble opinion, there is no one who can speak more truly for the majority of the people of Canada than the present government—this, whether we like it or not. The groups representing the various schools of political thought in Canada have just had an opportunity of expounding their principles, theories and programmes to the supreme authority, the electorate of the country, who pronounced themselves in no uncertain manner at the last election. In other words, the Conservative party was weighed in the balance by the electorate and was found wanting. The Co-operative Commonwealth Federation and its programme were also scrutinized, and that group, too, has been found wanting. Finally the Social Credit group was examined by the electorate, which, as shown by the results, decided to reform the composition of the house by decimating the representatives of that group, rather than to reform the monetary policy of the country. So once again, whether we like it or not, the present government stands out as the truest form of expression of the attitude of the Canadian people.

There are groups in this house, and outside who claim to speak for the whole people of Canada or for the majority of the electorate, but by what authority is not known. In 1932, sixty per cent of the United States press opposed Roosevelt as a candidate for the presidency. In 1936, eighty per cent of the United States press again opposed him, and ninety per cent of the United States press opposed him on November 5 last, with results that we all know, thereby revealing that at times the most vociferous are out of step and tempo with the aspirations of the electorate of the country at large.

And now if I may have the liberty, Mr. Speaker, I should like to set out in a brief and cursory way the accomplishments of this government since the declaration of war by Canada in September, 1939, even at the risk of repeating what has already been stated in the house by persons of much greater authority than I, and remembering always the state of our equipment for army, navy and air when this government assumed power in 1935. Practically nothing had been done in the previous five years in the way of expenditure on our military, naval and air forces, but to-day the total strength of the Canadian active service force is 167,417; non-permanent active militia, officers and men, 65,000; navy personnel as of November 7 last, 13,034; recruits under training each month in thirty-nine camps, at least 25,000; air force, total number of officers and men, 30,599; enlistment of air crews as of November 2 last, 6,884; or a total of 307,934.

We have to-day in commission 140 vessels, 17 corvettes, 4 mine-sweepers and 12 destroyers. Contracts for munitions, war supplies and equipment as of November 4 last, total $443,000,000; and capital expenditures for plant construction and extensions, $235,000,000.

Plans have been accepted for the manufacture of 3,000 tanks, and at the end of the first year of the Bren gun contract there should be three times as many guns delivered as were called for by the contract.

The establishment of the war-time prices and trade board and the foreign exchange control board is an achievement of which this government may well be proud owing to the beneficial results derived therefrom by the Canadian people.

Let us not forget, too, that the unity which we find throughout the length and breadth of Canada to-day was not a product of spontaneous generation but was brought about rather by good judgment, able leadership and far-sightedness.

Last but not least, I believe that in large measure the people of Canada and of the whole British empire are greatly appreciative of the Ogdensburg agreement of August 17

last. This agreement may not have been accomplished to the blare of trumpets and the beating of drums or with astronomical figures affecting our economy or the treasury, but often the greatest events in history are predicated upon simplicity, quietude and far-sightedness.

Let us not lull ourselves into the belief that this accomplishment was an inspiration which came to the United States overnight, especially since it was announced during the course of an election campaign. It was brought about through the continued amicable relations and interviews which occurred between the United States and this country under Liberal administrations. One of the greatest acts among the many outstanding to the credit and achievement of the Prime Minister (Mr. Mackenzie King) is the consummation of the Ogdensburg agreement, a magna charta in the history of democracies. It is patent to us that this is one of the effects of the friendly relations which the Prime Minister has always fostered, nurtured and developed with the great republic to the south. I do not wish to convey the impression that the advantages of this agreement are only unilateral, but I feel that it is of the greatest importance for the aim which all free countries have in view, namely the crushing of bandits and gangsters on the international highways of the world.

These are some accomplishments of the government since the declaration of war by Canada. As has been truly stated, the government does not have to defend or justify its achievements; they defend themselves. That there may have been misgivings or misjudgments here and there may be granted. But what country has not made mistakes in its transition from peace to war activities? For example, in 1937 France manufactured throughout the whole year only thirty-eight aeroplanes, while Germany was making 100 a month, or 1,200 in a year. In the eight months prior to September, 1939, there were working in the Renault arsenal shops in France only 7,000 men out of a force of 30,000 which was the regular peace-time strength; 23,000 of those artisans were doing manual labour in the army.

In January, 1940, apart from the Canadian division no one could show us a corps of troops superior to a battalion. If we take our efforts as a whole and visualize them as such, I believe that no one with an open mind will deny that what we have done shows a really epic effort, a thoroughly united effort. If we grant that this government may have made mistakes, where is the guarantee that the critics of the administration might not have made miscalculations and misjudgments? If we establish a true comparison between the efforts of this government during the first fifteen months of the war and the efforts of the administration which was in power during the last war, this government stands up favourably in all its fields of effort, and the preponderance will not be spurious.

I have clipped from this morning's Montreal *Gazette* an article headed, "Canadian war costs to date over 1914-18":

> London, November 18.—Hon. Vincent Massey, Canadian High Commissioner, said in a broadcast to-night that Canada has nearly as many men under arms now as at the end of the last war, and that her war expenditures since the outbreak are greater than in the whole four years of the 1914-18 conflict.

As has often been stated in this house by responsible ministers of the crown, corroborated by persons in high command in England, our cooperation with England has been of the fullest, and I feel that the Canadian people are satisfied with the efforts of the present government. In accordance with the true spirit and essence of democracy let us all cooperate, as much as possible, not only by word but by thought and deed, in this our supreme effort in the history of Canada and the British empire.

There are other matters, referring to the agricultural interests of the country, which I should like to bring to the attention of this house before taking my seat. The Minister of Agriculture (Mr. Gardiner) is to be commended for bringing back to this country the agreement which he did. It is noted, for example, that we shall be able to sell bacon to Great Britain to the extent of $69,000,000.

Mr. NICHOLSON: At what price?

Mr. BLANCHETTE: We shall be able to export cheese in the coming year to the volume of 112,000,000 pounds at 14·4 cents; condensed milk to the extent of some $3,750,000; frozen fish of the value of $12,100,000, and fruit and honey to the amount of some $4,500,000. It is to be hoped that by such a diversion of dairy products the butter market will be enhanced during the producing time of the year. I know that at the present time butter obtains a fair price, but unfortunately the majority of farmers got 20 cents for their butter which is now selling for 30 to 35 cents, the difference going into the hands of those who bought at the low price and stored the product for enhancement. At 20 cents a pound for butter, the farmer is receiving about 72 cents a hundred pounds for his milk which is costing him between $1.69 and $2.04 to produce, depending on the

size of the herd, as per data obtained during a recent survey in the county of Deux Montagnes, a survey made under the direction of Professor Toupin of l'Institut d'Oka. These conditions have been prevailing for a number of years in the butter industry, and the attention of the government is drawn to this disparity between the cost of production and the return upon same during the producing time of the year.

If the wheat grower, the apple grower, and the potato grower must receive the attention of the government in order to carry on, surely the same consideration is more necessary for the farmer who is engaged in the production of butter, which needs a farmer's attention 365 days of the year. I trust that the government will devote its most sincere consideration to this branch of the dairy industry. If I may be permitted to offer a suggestion, I would say that a reduction in the transportation cost of feed would be of great assistance to the dairy industry; or again, the providing of storage facilities, with interim government payments to the producer, would enable the butter producer to gather all the profits derived from his production, which he is not at present getting, and this with no increased cost to the consumer.

Another matter which I should like to bring to the attention of the government is heating with wood to aid our war effort. A timely editorial in this regard appeared in the Sherbrooke *Daily Record* in which it is stated that, where practicable, Canadian householders can achieve the dual objective of aiding in winning the war and at the same time reducing their annual expenditure for fuel by the increased use of wood for domestic heating purposes, according to information gathered by the forest products laboratories of the Department of Mines and Resources.

Each year, for domestic consumption in Canada, quite apart from industrial uses, about 3,400,000 tons of anthracite coal and about 1,800,000 tons of bituminous coal are imported. In addition, homes equipped with oil burners necessitate the importation of a considerable quantity of crude oil from which fuel is derived. Under present conditions, when every effort is being expended to conserve foreign exchange, it is important that Canada's outlay for imported fuels be reduced by drawing on her abundant resources in fuel from low grade wood. At present Canada uses approximately 10,000,000 cords of wood a year for domestic fuel. This is equal in heat value to 6,600,000 tons of anthracite. Effective heat obtained from one and one-quarter cords of good hardwood is equivalent to the heat obtained from one ton of anthracite coal.

While burning wood may entail more work and inconvenience in stoking than some other fuels, in most instances a substantial saving can be made by its use. As a measure of national economy reliance on Canadian fuel resources is important, and places within the reach of every householder a means of furthering our war effort.

I have already made this suggestion to the Department of National Defence as well as to the war supply board, in connection with the 39 training camps throughout the country, when practicable, and trust that the suggestion will be considered, as a means of conserving our foreign exchange, giving more work to our own people in lumber districts, and finally as a tangible proof that the government is carrying out the recommendations of the forest products laboratories which can be done in training centres located near lumber regions.

The war-time prices and trade board has been doing effective work in the protection of the consumer against undue profiteering, and it is to be commended for it. Undue profiteering may be derived either, on the one hand, from a price higher than a fair price, on a produced or manufactured commodity, or, on the other, by paying too low a price for the producing or manufacturing of that commodity. I believe that the war-time prices and trade board, or, if not in its jurisdiction, the departments of labour, both federal and provincial, would be well advised to be on the alert, in the way of survey and inquiry, in connection with corporations which are deriving undue benefits and profits in their handling or manufacturing of certain products and commodities. In doing so it will be rendering a great service to the producers of our basic industries, and to our labourers, both of which classes of the community need our constant attention and care.

To refer in passing to matters of provincial jurisdiction, newspapers of Quebec city, under date of November 16 last, mention a news item to the effect that the Quebec provincial government may establish a fixed price, a minimum price, on pulpwood that settlers and farmers cut on their land, and that a commission may be instituted in that regard, with powers similar to that of the dairy commission. Such a commission would render invaluable services to all concerned and I only trust that this long felt-want will become a reality in the very near future. I understand that it is a rule of thumb with the paper mills to be able to pay for pulpwood at the mill 30 per cent of the current price of newsprint as delivered at New York. This price is not being paid at present. The fact that this commission will be created speaks

very well for the efforts of one of our former colleagues, Hon. Paul Emile Coté, who is directing, as minister, the department of lands and forests at Quebec.

Finally, in closing my remarks, may I refer to the frequent mention which is being made in the country at present of encouraging our youths in bilingualism? I have been favouring bilingualism for a number of years and would be remiss in my belief and duty if I did not profit by this occasion to state to our Canadian youth and to our educational institutions that no better preparation could be devised to develop and foster unity in the dominion and to ensure the economic success of the person so equipped. Paul Reynaud once asked, "Jeunesse, quelle France voulez-vous?" The youth of this country have already replied to this question by being in the military camps to-day. If our educational institutions are to be true to preparing our youth for the future, a fostering of bilingualism on a larger scale than has been done before cannot do otherwise than have the most beneficial results in the social, economic and national fabric of Canada.

Mr. F. D. SHAW (Red Deer): During the course of the past week we have been privileged to listen to a number of addresses which I will classify as follows: First, those addresses delivered by ministers of the crown in an attempt to inform members of the house exactly what the government of the day is doing and has been doing with respect to Canada's war effort. Second, we have had those addresses by members of the house who are genuinely concerned about Canada's war effort and also genuinely concerned about what the outcome is going to be. Third, I believe I am quite safe in saying that there are those who are so surprised at having been elected that they cannot resist the temptation to boast about it. I believe we have just had a typical example of that.

We in this group have had reflections cast upon us from time to time, but it will be noticed that it does not stop us. One such reflection was that we have come back with reduced numbers. May I say this to the members of the house. We went to the country on a definite programme and we are still following it, whereas there are others not far away who went to the country on a definite programme which they deserted at the first opportunity. We have nothing to be ashamed of.

I was deeply interested in the addresses delivered by the ministers; most of them were quite enlightening. Much that we heard gave us courage, but there was much to depress us In dealing with the depressing aspect of a certain speech, may I refer to that one delivered here on November 15 by the Minister of National Defence (Mr. Ralston). This is one statement which he made:

> . . . we still have to face the fact of a serious shortage in equipment and armament, and we shall probably have to face that fact for a good while yet in many instances.

First I wish to congratulate the minister upon being very frank. I believe that if there are shortages we the people of Canada should know about them. But I say this further, I believe that if this government five years ago had listened to the suggestions of members of this group they would not have had the same reason for stating that there are still shortages of equipment and armament. Furthermore, in connection with that same matter I say that if they were not prepared to take our advice in 1935, surely by 1937 there was ample reason for doing so, and how much better still was the reason for accepting it in September, 1939. I would make a further assertion, namely, that if the minister's statement is correct, as I have no doubt it is, there can be little good reason for there being any idle factories in this Canada of ours. There can be very little justification for there being any idle men in this country. I was appalled during the last month or two as I travelled by car through western Canada to see the great numbers of young men walking up and down the roads with packs on their backs. I made it a point to pick them up; I ascertained very early in my discussions with them where they were from and why they were out of work. There is absolutely no justification for young men walking up and down our roads in idleness at this stage of this terrific conflict.

May I refer again to the speech of the Minister of Agriculture (Mr. Gardiner) delivered in this house on November 14? I turn to his prognostications relative to the wheat situation. I notice his speech was literally filled with the word "assume"; assuming this and assuming that, said the minister, this will be the outcome. What did the Conservatives call it—lulling and soothing us. That, I take it, was a typical example of what they were referring to. He said in effect, assuming that the blockade is lifted, assuming that we increase consumption internally, assuming that we can sell certain quantities to the United Kingdom, assuming that we have so many years of war, and assuming that we can sell certain quantities to those countries which are not blockaded, at the end of the five-year period we shall find that we fall short by fifty million bushels of supplying the world's demand for wheat. When I heard

the minister make those statements I almost had to classify him as the master seer, or the very personification of optimism, or an arithmetical genius. But when I observed on another page of *Hansard* that he referred to the fact that in the last general election our party was cut in two, which meant that half of sixteen is ten, I could place but little faith in the value of his guesses, if I may use that word, with respect to the wheat situation.

It may be a very fine thing to tell the Canadian people that there is hope in five years. I believe the Liberal party is used to things happening in five-year cycles. That is, they are either elected or defeated, and I think they cannot get the idea of elections out of their minds.

The statement of the Minister of Agriculture with respect to wheat did absolutely nothing to satisfy the farmers of western Canada who have at the present time vast surpluses of wheat, in many instances lying out without shelter in the open fields. I say, enough of these prognostications, enough of these lulling and soothing utterances, as our Conservative friends would describe them. I still think we shall have to turn to the Minister of Trade and Commerce (Mr. MacKinnon) in order really to get an announcement with respect to the government's wheat policy.

If, Mr. Speaker, I abstain from lengthy discourse upon this occasion, it is not because I believe that parliament should abrogate its proper function, that of carrying on a debate to the fullest measure for the purpose of furthering Canada's war effort. Hon. members would be remiss in their duty if they were to leave unsaid those things which ought to be said, simply because Canada is in a state of war.

May I digress for a moment to pass one comment about the constituency which I represent. My constituents in the constituency of Red Deer are blessed in many ways. Within the bounds of that constituency we enjoy a wide diversity of activity. We have grain growing, mixed farming, dairying, mining, lumbering, manufacturing if only to a limited extent, flour milling, and the oil drilling industry even though it, too, may be only in the experimental stage. We are relatively free from the ravages of drought and insect pests, and with a few excepted areas our agricultural productivity is comparatively constant. Located in a parkland area, as we are, I assure you that much of our scenery is unsurpassed. Further, and possibly this is most important, my electors have for a good twenty years been able to reject the wooings and constant advances of all the isms, including Liberalism and Conservatism.

One would naturally assume that we have strong justification for being extremely happy. And we are. But still there are some things which have a tendency to depress us. One thing that I find depresses my constituents a great deal is the outlook for the post-war period which will come upon us just as sure as we are here. I know I may be criticized for dealing with the post-war period at this time, but I have not heard a logical argument against giving consideration to that period now. I believe that to-day is the day to prepare for to-morrow, if we are going to be successful in meeting the conditions which will face us to-morrow.

Most hon. members who have spoken during this debate have laid a great deal of emphasis upon Canada's present objective. I realize as well as anyone does that our foremost objective is to win this war. We are fighting to win; there is no doubt about that. We have undertaken a tremendous task; there is no doubt about that either. We are making a supreme effort to protect our freedom against the dictators who would destroy it. But let us not be deluded. We are not fighting to preserve the state of affairs which has prevailed in this country during the past decade. We are not fighting this war to preserve governments which have brought us poverty, relief, unemployment, squalor, hardship, the bankruptcy of agriculture and the ruin of primary industry. We are not fighting to preserve a government which will tolerate these things. We are not fighting the war to preserve a man-made set of economic rules which would work beautifully if we were living in an age of scarcity but which dismally fail to meet a condition of abundance. Those boys who left the relief lines and who dropped off box cars to enlist are not offering their lives to preserve a demoralizing existence, without hope and without prospects. I think the sooner the government of Canada realizes these facts, the more genuine will be Canada's war effort.

While referring to those boys, I believe I am quite safe in saying that although thousands of them are in uniform, willing to make the supreme sacrifice, there is in their minds an element of doubt. I will have to enlarge upon that statement in order that hon. members may know what I am getting at. I have talked with many of these young men, and they have said to me, "What is to become of us when this war is over?" To further elaborate that point I should like to read a statement appearing in the November

16 issue of the Montreal *Standard*. This is just a sentence taken from a letter written by a young soldier now in a prison camp in Germany. In writing home he said:

> Shall be returning home when this is all over, and settle down, I think, that is, if there are any positions open or available.

That is a good indication of what that boy is thinking about at the present time. So I say, if we are going to get the maximum effort from these boys, the very least we can do is assure them that when this war is over, they will be guaranteed economic security, such as we know this rich Canada of ours is able to provide.

We know that we must defeat the dictators, because if we do not, they will take from us freedom of speech and freedom of action. But I say to you, Mr. Speaker, that we must also fight against those forces at home which would deprive us and our boys of the fruits of victory. So I say our duty to-day is two-fold: first, to put every ounce of energy into the war and, second, to lay the foundation for a new society at home, a society built upon economic security which, in its new found strength, will be bound to destroy any dictatorial force which may ever face us. We must guarantee to every boy now in uniform that when he returns he will find a way of life worthy of his noble achievements. To-day is the day to prepare, not to-morrow. We must declare openly that there shall be no starvation and no privation in a land where people are accustomed to boast about their vast surpluses of all kinds of commodities. To me, there is nothing more disgraceful and nothing with less justification than to see, in a land such as this, vast quantities of food and of materials for making clothing, and at the same time hungry and ill-clad children on every side. While we in this group have been belittled from time to time for making statements of this kind, I have yet to hear anyone, from his place in this house, or on the public platform, attempt to justify such a condition. I dare say no one would even try to do so.

I turn now to the monthly review of the Bank of Nova Scotia dated September 26, 1940, which contains these words:

> One thing is clear; that the years of the last decade have in reality been years of growing warfare and cannot be regarded as a desirable standard for the future.

I commend these further words to hon. members:

> A sane world has no place for millions of hungry people and great quantities of unsalable foodstuffs.

I am in absolute agreement with that statement. When this war is over, our government must not endeavour to bring about better times simply by trying to stimulate production, as we have done in the past. That has been one great weakness of governments in days gone by; they have tried to gear up production to even greater speed in order to meet every little ill that has cropped up throughout the country. I say, and it has been said here time and again, that when this war is over, the problem we shall face will not be that of stimulating production; it will be that of distributing the abundance which we shall still have here even if this war lasts ten years.

I should now like to quote just two or three paragraphs from an editorial headed, "After the War is Over," appearing in the *Globe and Mail* of August 9, 1940:

> The problem of this century is one of distribution. The old problem of production to meet the needs and demands of the people has been solved.
>
> When next the dominion parliament meets, it should begin to consider ways and means of providing change-over from a war-time economy to a peace-time one, bearing in mind that want shall not be necessary, and that unemployment shall not be justified on the grounds that there is no work to do—it can be explained only by the fact that we have not discovered yet how to employ labour to advantage.
>
> A nation never goes bankrupt in the sense that it is helpless to provide for itself and its people. It can only go bankrupt according to certain financial standards which, because of the very fact that they show it as bankrupt, prove nothing but their own incompetence to reflect reality. No nation is ever bankrupt so long as it has tilled acres, uncut lumber, untapped mineral zones and so great an establishment of plant and equiment that it can produce a volume and variety of goods and services many times greater than its population can profitably utilize at the prevailing standard of life.
>
> We are a rich people. We shall be even richer after the war. But we must begin to consider how we can best reorient our economy so that our latent capacity to produce wealth will be utilized fully and the resulting output equitably distributed.

I say, and I believe I am correct in saying, that the Toronto *Globe and Mail* is an orthodox publication. If that is true, then it would appear that even the orthodox thinkers are waking up. When I went before the people during the last general election I stated that the one thing I would press for would be the setting up of a house committee to deal with post-war problems. I was greatly pleased when I noticed in the speech from the throne of last spring the following statement:

> . . . it is desirable, as far as may be possible, to plan for the days that will follow the cessation of hostilities.

I was pleased further to notice that on the *Votes* and *Proceedings* of the same date

was a notice of a resolution under the name of the Prime Minister (Mr. Mackenzie King) to set up a select committee of the house for the purpose of dealing with this matter. I was, however, chagrined when on June 18, as recorded on page 864 of *Hansard*, the Prime Minister saw fit to withdraw his resolution. When I returned to my constituency after the adjournment, my constituents questioned me about the attitude of the government toward setting up a committee, and I had no alternative than to tell them the truth. They were greatly depressed when they learned of the withdrawal of this resolution by the Prime Minister. When the Prime Minister was speaking on that occasion he stated that if it were considered advisable at a later date again to introduce the resolution, it would be done. Apparently it was not considered advisable to do that during the time the house was in session.

About the time that the house reconvened I noticed that the government had set up a subcommittee of the cabinet, made up largely of civil servants, which was to act as an advisory committee to the government in dealing with post-war problems. The thought came to me: Why was it deemed advisable to set up a committee made up largely of civil servants instead of a committee made up of the elected representatives of the people? No matter what other committees have been set up for the purpose of studying post-war problems, I say in all sincerity that a house committee should be set up forthwith. May I say to this committee, or to any committees that have been set up, that there are certain matters which should be taken into consideration when dealing with this great question.

The first is, what attitude is to be taken with regard to civilian health? Last spring I spoke at some length in this house about civilian health. I was prompted to do so by the fact that after the war broke out, it was discovered beyond all question of doubt that the health of the Canadian people, as reflected by the health of the soldiers who had been examined, was just not good. In this connection I should like to quote from an editorial which appeared in a recent issue of *Health*. I enjoy quoting from this publication because I find it invariably hits the nail on the head. This is what they say in the autumn issue with respect to this question:

> Soon it will be possible for our authorities to estimate with reasonable accuracy the number of young men in certain age groups who are fit—and by the same token those who are unfit to serve in the army.
>
> Of course in piping times of peace such things are "impossible". One recalls debates in the House of Commons when at the end of interminable talk following a resolution by a patriotic medical man to the effect that there should be periodic physical examination of our population the conclusion was reached that the thing was utopian and impossible. And yet shortly with the incentive of war we discover that it is possible and that we have done it.

It is surprising what the Canadian people or the Canadian government can do when faced with such a tragedy as war. The editorial continues:

> The percentage of disabilities to be found will doubtless be high. It was high when similar examinations were conducted during the operation of the Military Service Act during the last war. The revelations made then and about to be made now prove conclusively that from the standpoint of health we constantly neglect large sections of our population.
>
> Thinking people are beginning to wonder what we are going to do about it. Why should we wait until we are faced with a serious war before we begin to take stock of our human assets? Why is the health and welfare of the average young man and woman not an essential objective in peace-time as well as in war-time?
>
> If one desires to ask a further pertinent if not an impertinent question one may enquire why it is that in spite of the increasing disabilities which may be expected from either a financial depression or a war frequently the first thing a government thinks of under such circumstances is to reduce health expenditures instead of increasing them.

That is something that has always been in my mind, and I believe I expressed my feelings when we were considering the estimates of the health department. The editorial continues:

> When one considers that in war the fit are sacrificed on the altars of Mars and the unfit left at home a situation is discovered which should demand the attention of all political leaders.
>
> Our statesmen on the whole have given very little consideration to the subject.

I do trust that these committees and the government will see fit to give proper consideration to the question of health. If we are seriously tackling the problem, the first thing for us to do, because a prerequisite to good health is adequate food, clothing and shelter, is to assure the Canadian people that they shall be provided with the necessities of life so long as we are able to provide them, and if the present financial policy of Canada will not enable the government to do that, there is only one thing for the government to do and that is to change the financial policy.

One thing comes to my mind in that connection. In a recent address the president of the Canadian Bankers' Association is reported to have referred once again to "funny money," and it is significant that he referred to "funny money" on the evening of the same day on which the leader of the Social Credit group spoke in this house.

I say to the president of the Canadian Bankers' Association that if he wants to talk about "funny money," all he has to do is to talk about his own bankers' money because in the depression we were using the so-called bankers' money, and it must have been "funny money" indeed to bring upon us such conditions as prevailed then during a period of great abundance. So I say that when the president of the Canadian Bankers' Association talks loosely about "funny money" and cautions the government to have nothing to do with it, he is really giving the government a hint to cast him adrift and start building up a financial policy which will provide for the people of Canada those things which are physically possible and desirable.

I wish now to make reference to one question that came up in the last session of parliament, namely the processing tax as it applied to wheat which is gristed in the local mills, where the miller keeps a part of the wheat to pay for the cost of grinding. On August 3 last the question was asked in this house whether the miller would have to pay the processing tax if he took part of the farmer's grain as payment for grinding the balance into flour. The Minister of Trade and Commerce (Mr. MacKinnon) gave it as his opinion at the time that the miller would have to pay the processing tax. The Minister of Agriculture (Mr. Gardiner) then stated that his opinion was that this was no ordinary transaction and therefore he did not think the tax would apply. May I add that the Minister of Trade and Commerce in giving his opinion said that the tax was designed to help the producer.

I have been giving this matter a great deal of consideration especially in view of the fact that the wheat board in its circular of August 16 stated that the processing tax would apply. The farmers take their wheat to the local mills to be ground into flour. How, then, can a processing tax which is charged against that farmer be said to be designed to help the farmer? I have in my constituency at least one privately-owned mill which has been a boon to the farmers of that district for a great many years, and I find upon investigation that the processing tax is a handicap to the farmer. It is an extra charge upon the farmer. How can it be designed to help him if in the final analysis it does him a great deal of harm? So I say to the Minister of Trade and Commerce, do not leave this matter where it now stands, but let us go into it more fully and when the minister has all the evidence before him I believe he will agree with me that the processing tax should not be applied in the case of the local mill where the farmer leaves a part of his grain with the miller to pay for the wheat he has had ground into flour.

It was announced during the last session that the processing tax would have to be borne by the miller, and I believe hon. members generally were agreed that that was quite proper. I am speaking from memory but I believe early in August we were advised that the large mills could not stand the 15 cent processing tax. That seems strange, I would say to the Minister of Trade and Commerce. I do not know upon what basis he came to that conclusion or exactly what factors were taken into consideration, but I do know that very soon after the application of the processing tax, which is passed on to the consumer, the large milling companies of this country entered into a price-cutting war and they knocked their prices down and down and down. That is fine for the consumer. Prices went down nearly to where they should be. But it does not substantiate the argument that the large mills were unable to bear the weight of the processing tax.

It is significant, too, that even with the processing tax, and even after it was passed on plus the price war, the five largest milling concerns in Canada recently declared the second highest dividend in five years, a total sum of $2,040,000, approximately, to be distributed in dividends among the shareholders of these concerns.

I have in my constituency near the village of Penhold one of the service flying training schools. I have been given to understand that when sites were being selected for the establishment of these schools the engineers were the ones who determined the location and that a field would not be established in a certain constituency just because a Liberal member of parliament happened to reside there. I am satisfied that the practice of having the engineers determine the location is the proper one, and if that is so I would say to the government, for goodness sake send a letter to the defeated candidate in my constituency and to certain newspapers who are building him up for the next election, telling them that it is the engineers who determine the location, for apparently they do not know it. The people of my district are very happy that that school is being established there. We know that it has had a beneficial effect in reducing local unemployment and that it has stimulated business in the vicinity. But I have had disturbing reports about the part being played in the hiring of men by a certain member of the executive of the Edmonton Liberal Association. I am not making any charges and

therefore I mention no names, but these disturbing reports have come to me from many quarters, and believe me, if it is at all possible I shall run them down.

Mr. SPEAKER: I am sorry to interrupt the hon. member but his time has expired.

Mr. MacKINNON (Edmonton West): Go ahead.

Mr. HANSELL: Agreed.

Mr. SHAW: Thank you, I shall take just a moment, Mr. Speaker. In the city of Red Deer, in my constituency, we have one of the thirty-day training schools—I know of no better name—and I may say that we are happy to have it there. I had occasion to be in Red Deer on the morning of October 9, when several hundred of these boys detrained at that point, and I was amused to see them march down the avenue; I wondered just how long it would be before they would appear like real soldiers. I happened to be in Red Deer two or three weeks later, and I was particularly pleased to see what grand work had been done in the training of these boys. A good deal of credit is due the officers in charge for their accomplishments. On two occasions I went into the camp. I found among the boys no general resentment at having had to go to camp, but rather they took it like good sports. I had, however, a number of complaints. But I know that the scheme is only in its infancy, and that everything had to be rushed just prior to the opening of the camp. So may I say, Mr. Speaker, this final word, that while I am not lodging any criticism of the camp at the present time, I reserve the right to criticize whenever I believe that criticism is due.

Mr. J. E. S. EMMANUEL D'ANJOU (Rimouski): (Translation) Mr. Speaker, it is not without deep emotion that I rise to address the house after an absence of sixteen years. Indeed, I was fortunate enough to be elected in 1917 to represent the electoral division of Rimouski in this house where I sat until 1924. In 1940 the electors of the same county of Rimouski did me the honour of choosing me as their candidate in circumstances almost identical with those of 1917. At that time Canada was at war and conscription was in force. In 1940 Canada is taking part in the war, but, thank God, there is no conscription for overseas service. I came forward as a candidate in Rimouski with the same programme that I had in 1917. I was the candidate of the Liberal party led by the Prime Minister (Mr. Mackenzie King) and the Minister of Justice (Mr. Lapointe), and it is as such that I conducted my campaign. I told my electors that I was the official candidate of the King-Lapointe Liberal party. I have come to this house to give my full support to the government in its free and voluntary war effort.

In 1917 I stated to my electors of Rimouski that I was opposed to compulsory military service overseas, and I told them the same thing this year. I declared on many occasions, however, that should circumstances require it I would be the first to shed my blood for the defence of Canada, but that I should refuse to do so outside the country. My views have not changed. I have pledged myself to oppose in this house any move to impose conscription for service overseas, and that promise I will keep. The following words of Sir Wilfrid Laurier represent my views:

> Canada first, Canada always, Canada only.

However, when the mobilization act was placed before parliament I did not hesitate to support it. Section 3 of this act is quite clear:

> The powers conferred by the next preceding section may not be exercised for the purpose of requiring persons to serve in the military, naval or air forces outside of Canada and the territorial waters thereof.

My constituents have recognized with me the timeliness of that mobilization act providing solely for the defence in Canada. Those who live in my constituency are justly proud to number among their own people two gallant soldiers, Jean Brillant and Joseph Kable, who, during the last war, had the honour of winning the highest military decoration, the Victoria Cross. How many constituencies in Canada can boast of men to whom such honours have been awarded? I am proud of representing in this house a constituency where national registration has given such splendid results. Every one heeded the call and the registration was complete. Such a wonderful result was largely due to the wise and enlightened directions given by the priests of my constituency, to whom I tender my respectful and sincere thanks. Since the beginning of the session, much has been said about our participation in the war and our war effort but although Canada is at war, we must not overlook the problem of agriculture which is of vital concern to all parts of our dominion. Many hon. members who have preceded me have dealt with agriculture and, I, for one, represent a constituency where agriculture is very progressive, and I should consider myself unfaithful to my duty if I did not deal with this subject to-night. Last year, I requested the Minister of Agriculture to grant, as had been done previously, a sum of $2,500 to the local exhibition in the county of Rimouski.

The grant was refused on account of the heavy expenses which the war entailed. Therefore the exhibition was cancelled. As a rule this exhibition is held in the centre of the county of Rimouski and all the farmers cooperate in sending their various products. Notwithstanding the wide character which the war has assumed, I would request the Minister of Agriculture to grant that amount as he formerly did. He would thus do something useful. While our soldiers are the nation's defenders, the tillers of the soil are not without importance. In order to enable our soldiers to fight, we must feed them and the farmers have to supply them with the necessary foodstuffs. Land is the great provider and it seems to me that without lessening our war effort we should, as far as possible, help the farmers and encourage them as we have done in the past.

Like all those who have preceded me, I must offer my congratulations to the right hon. Prime Minister of Canada for having met the President of the United States and concluded with him an agreement regarding the joint defence of the two countries, since we Canadians are also, after a fashion, Americans. Canada is an American country and it seems to my mind only fair and logical that such an agreement should have been signed. I am convinced that all Canadians, whatever their racial origin, were extremely pleased at the meeting of these two statesmen and heartily approve the agreement arrived at.

I also wish to congratulate and thank the government for having established in Rimouski county a training camp and flying field. I am very grateful to the Minister of National Defence for Air, thanks to whose good offices we were able to obtain these facilities. The establishment of a training camp and flying field in Rimouski county has enormously helped the training of our young men, and has been welcomed by the whole population.

I listened the other night to the excellent speech given in French by the hon. member for Nanaimo (Mr. Chambers). In my opinion, the hon. member thereby gave a lesson to a great many members from the province of Quebec who, either through snobbery or for other reasons unknown to me, rarely speak French in this house. When one wishes to preserve a right, it has always been my belief that he must exercise it. Some may consider the matter unimportant; yet I remember an occasion in 1924, the Hon. Mr. Lemieux was speaker at the time, when I arose to make some statement in the house and, turning my eyes towards the clerk's desk, I saw on it a calendar printed in English only. I then asked the Hon. Mr. Lemieux to be kind enough to give us the bilingual calendar. Two days later we had it. After an absence of sixteen years I returned to the house and, upon entering this chamber, my first impulse was to look at this same calendar to see if it was still bilingual. I am pleased to observe that it is. While visiting the senate chamber the other day, I noticed that their calendar is not bilingual. I trust that some senator from the province of Quebec will be found to request a new one similar to that of the House of Commons.

I also wish to congratulate the government for the excellent appointments it has made in recent weeks. There is always a great deal of eagerness to criticize the government, yet its accomplishmnts are rarely mentioned. There is nothing like comparison to establish which side has been more beneficial to the country. A close study of the different parties that have held power in Canada and of the various governments which have administered the country since confederation will convince us, and I refer especially to all French-Canadians residing in the province of Quebec, that we have enjoyed under Liberal administrations wider recognition of our rights than under Conservative regimes.

Therefore I say that when the government show their willingness to recognize our rights, we should at least have the decency to congratulate them instead of forever criticizing them. As I said, our government have recently made a few commendable appointments. They have appointed Mr. Sirois to the Unemployment Insurance commission. They have appointed Mr. Edmond Cloutier to the position of King's Printer. They have appointed Mr. Leduc to the Supreme Court. And there are many more appointments that I might mention. While admitting that we do not fully enjoy our rights in this country, we should never fail, when the occasion arises, to express our gratitude to the government for whatever they do along that line.

I take this opportunity to congratulate the right hon. the Prime Minister of this country for the splendid speech he delivered the other day and especially for what he said about France. He said that the French-Canadians, and more particularly those who live in the province of Quebec, now have the honour of perpetuating French culture not only in Canada but in the world. On that occasion, the Prime Minister spoke as a great Canadian. But, after all, blood will tell. The right hon. the Prime Minister of this country is the grandson of William Lyon Mackenzie, the patriot who in 1837 fought alongside Papineau for the defence of our most cherished rights. I am sure that French-

Canadians from the province of Quebec and from all Canada will be grateful to the right hon. Prime Minister for the stirring words he spoke on behalf of France. No, Mr. Speaker, France is not dead and will not die. The France of the martyrs, and the missionaries—France, the eldest daughter of the church, cannot die. She will arise, radiant as before. The France who brought to Canada not only the torch of civilization but also the cross of Christ, will arise again in all her glory, for, I repeat, France cannot die.

Unfortunately, Mr. Speaker, we French-Canadians are not free from defects. The defects of our qualities, perhaps. As I was just saying, we do not always recognize merit where there is merit. The statesman who is the Prime Minister's chief lieutenant—I refer to the right hon. the Minister of Justice—is the subject of considerable attack, not only in certain sections of Canada but also in the province of Quebec. Political failures unworthy of unloosening his shoe-strings are constantly attacking this man who, as he stated in his radio addresses, is our defender. When congratulating the government on their recent appointments from the French-Canadian point of view, I saw in these appointments the hand of the Minister of Justice. Instead of doing justice to our public men while they are living, we always wait till they are dead. To-day we render justice to Chapleau, Mercier and Laurier. I suppose justice will be done to the Minister of Justice after his death. He will occupy a high place in the history of our country. Monuments have been erected to the memory of Laurier and Mercier. Lapointe will have his monument, carved in the granite of the Rocky mountains. That monument will remind our grandchildren and great grandchildren that the Minister of Justice was a great Canadian, a benefactor of his race. If we always kept in mind the motto of the province of Quebec "I remember", we should not forget those who have shed lustre upon our race and who have fought for our rights. I pray the Lord to give long life to the right hon. Minister of Justice, who has inherited Laurier's unblemished mantle, so that he may remain for many years at the helm of our country, not only in the best interests of Canadians of all nationalities, but to ensure that our rights, the rights of French-Canadians of the province of Quebec shall be respected.

In conclusion, Mr. Speaker, I have been happy to do justice to the right hon. Prime Minister of Canada and especially to a man who is denied justice, but whose name shall be written in gold in the history of our country, the right hon. Minister of Justice.

[Mr. D'Anjou.]

On motion of Mr. Taylor the debate was adjourned.

On motion of Mr. Crerar the house adjourned at 10.52 p.m.

Wednesday, November 20, 1940.

The house met at three o'clock.

BUSINESS OF THE HOUSE

SUSPENSION OF SPECIAL ORDER, TO PROCEED TO QUESTIONS AND MOTIONS FOR PAPERS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, on Monday I intimated that if the house would give its unanimous consent the government would be prepared to-day to have a motion presented which would enable us to proceed to the orders respecting questions and notices of motions for the production of papers before continuing the debate on the address. I therefore move:

That consideration of the special order relative to the debate on the address to His Excellency be suspended until the house has proceeded to the orders respecting questions and notices of motions for the production of papers standing on the order paper.

Motion agreed to.

INQUIRY AS TO TABLING OF MAIN ESTIMATES, 1941-42

Hon. R. B. HANSON (Leader of the Opposition): I should like to ask the Minister of Finance (Mr. Ilsley) if he will bring down, as soon as this debate is over, the main estimates for the fiscal year ending March 31, 1942. I need scarcely say that it would be a great convenience to members if they could have them before the Christmas holidays.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Perhaps I had better answer that question. The house will have to wait until we have concluded the debate on the address to see whether or not the estimates can be brought down before we adjourn. I am not in a position to give an answer to my hon. friend at the moment, but the matter is receiving consideration.

WAR-TIME REQUIREMENTS BOARD

INQUIRY AS TO CREATION OF NEW BODY TO SUPERVISE WAR PRODUCTION

Hon. R. B. HANSON (Leader of the Opposition): May I ask the Prime Minister if at a later date, possibly not to-day, he will be good enough to give to the house and the country a statement with respect to the new

war board which has been or is about to be created, headed by Mr. MacMillan, to which I made reference last week.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I am not sure that the question my hon. friend has asked does not refer to a matter with which the Minister of Munitions and Supply (Mr. Howe) will deal to-day.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

HIGHWAY ACCIDENTS

Mr. CHURCH:

1. What action does the government propose to take regarding the huge loss of life on Canada's highways including those injured and the economic loss to Canada?

2. Are any amendments proposed to statute law this session to curb "hit and run" drivers, and other provisions?

Mr. LAPOINTE (Quebec East): These questions involve a matter of policy as to which it is not usual to make a statement in reply.

COMMUNITY PASTURES IN PRAIRIE PROVINCES

Mr. COLDWELL:

1. How many community pastures have been decided upon in the prairie provinces?
2. How many are in active operation?
3. How many acres do they comprise?
4. How many acres have been re-seeded to crested wheat grass?
5. How many acres remain to be re-seeded?
6. How many cattle were pastured?
7. What was the total cost of fencing such pastures?
8. How many men are employed in the operation of the said pastures?
9. What is their average salary?

Mr. GARDINER:

1. 64.
2. 55.
3. 1,021,180 acres.
4. 57,330 acres.
5. Approximately 50,000 acres.
6.

	Horses	Cattle	Sheep
1938-39	1,935	1,281	74
1939-40	3,710	7,712	500
1940-41 (estimated)	5,000	15,000	700

7. $128,137.99 (to March 31, 1940).
8. 33.
9. $57.43 per month.

KURT AND ERICH GRUNEBAUM

Mr. REID:

1. Were one Kurt Grunebaum and his brother Erich Grunebaum allowed to enter Canada some time late in 1939?

2. Were they granted an entry allowing them to settle in Canada indefinitely?

3. Were they allowed into Canada with the view of their going into business or with the view of obtaining a position or positions comparable to their previous training or experience?

4. What country were they nationals of, previous to their entry?

5. Did any person or persons act as sponsors for them, and, if so, who were they?

6. Before being allowed legal entry, were the Canadian authorities aware of their connections in Germany with any financial institutions in that country?

7. What was the exact date of their arrival to Canada?

8. Was one Erich Grunebaum employed by the foreign exchange control board? If so, what was the exact date of his employment, and the name of the person or persons recommending him for such employment?

9. What were his qualifications for such employment?

10. During the time he was with the foreign exchange board, were the duties performed by him of such a character as could not have been performed or undertaken by some Canadian or British citizen?

Mr. CASGRAIN:

1. Kurt Grunebaum was allowed temporary entry to Canada in May, 1939, on a business visit and was granted permanent admission in August, 1939. Erich Grunebaum was granted entry to Canada in February, 1940, for permanent residence.

2. Yes.

3. They were granted admission for the purpose of going into business on their own account and deposited in Canada capital to the extent of $75,000 each.

4. They were nationals of Germany of Jewish race and came to Canada from England where they were both resident before migration.

5. No.

6. Yes.

7. Answered by No. 1.

8. Erich Grunebaum has not been employed by the foreign exchange control board at any time but Kurt Grunebaum, his brother, was on the staff of the board serving in a routine capacity from October 5, 1939, to May 22, 1940. He had been added to the staff of the board only after a searching examination of his antecedents and credentials which had revealed that he had left Germany because of the anti-Semitic measures of the German government. He applied directly to the board and offered his services without salary in gratitude to and appreciation of the country which had offered him a home.

9. In his capacity as a partner in a well-known banking house, Simon Hirschland, Essen, Germany, Kurt Grunebaum had

acquired a knowledge of foreign banking and foreign exchange control which was of service to the board while the Canadian staff was being organized. His services to the board were quite satisfactory during the short period of his employment. He has not been associated with the board in any way since leaving the board on May 22, 1940.

10. No, but in the early period of the board's organization it was of definite advantage to have the assistance of one who had had actual experience of the operations of foreign exchange control.

CERTIFICATES OF NATURALIZATION

Mr. REID:

1. What was the number of certificates of naturalization issued from September 1, 1939, to September 30, 1940, and compared with that of the previous year?

2. Of the number of naturalization certificates granted, how many of these were issued to former citizens of Germany, Italy, Russia and Japan, between September 1, 1939, and September 30, 1940, giving the respective numbers during each month?

Mr. CASGRAIN:

1. Total number of certificates of naturalization of all classes issued from September 1, 1938 to September 30, 1939 (thirteen months), 16,901.

September 1, 1939 to September 30, 1940 (thirteen months), 15,048.

2. The certificates divide into four main classes and the figures in respect to each of these classes for former citizens of Germany, Italy, Russia and Japan are given in the following table:

Certificates under section 4, which may be described as naturalization of adults not under disability:

	Germans	Italians	Russians	Japanese
September, 1939.. ..	1	4	18	0
October, 1939	4	5	0	0
November, 1939.. ..	10	20	18	0
December, 1939.. ..	12	18	16	0
January, 1940..	16	28	39	1
February, 1940.. ..	35	66	75	1
March, 1940..	22	97	76	2
April, 1940..	73	159	167	0
May, 1940..	18	15	100	1
June, 1940..	0	0	31	0
July, 1940..	0	0	10	0
August, 1940..	2	1	13	0
September, 1940.. ..	1	1	8	0
	194	414	571	5

Certificates under section 8, that is, certificates under the present Naturalization Act replacing certificates issued under the old act:

	Germans	Italians	Russians	Japanese
September, 1939.. ..	0	4	5	0
October, 1939.. ..	0	6	11	1
November, 1939.. ..	1	5	17	2
December, 1939.. ..	1	12	34	0
January, 1940..	4	13	35	2
February, 1940..	4	10	22	2
March, 1940..	3	4	26	3
April, 1940..	5	7	20	1
May, 1940..	0	4	27	1
June, 1940..	2	6	26	0
July, 1940..	3	13	97	1
August, 1940..	10	40	122	0
September, 1940.. ..	13	32	182	1
	46	156	624	14

Certificates under section 13 (6), to women of British birth who lost British nationality by reason of having been married to a national of a state at war with his majesty.

	Germans	Italians	Russians	Japanese
September, 1939.. ..	..	..	..	..
October, 1939..	..	..	..	..
November, 1939.. ..	..	..	..	..
December, 1939.. ..	2	..	..	..
January, 1940..	6	..	..	..
February, 1940..	9	..	..	..
March, 1940..	9	..	..	..
April, 1940..	4	..	..	..
May, 1940..	5	..	..	..
June, 1940..	..	..	..	..
July, 1940..	3	..	..	..
August, 1940..	..	2	..	..
September, 1940.. ..	6	2	..	..
	44	4		

Certificates under section 13 (5), to women whose husbands had already been naturalized.

	Germans	Italians	Russians	Japanese
September, 1939.. ..	62	35	32	..
October, 1939..	77	34	54	..
November, 1939.. ..	43	22	37	..
December, 1939.. ..	50	9	19	..
January, 1940..	28	14	19	..
February, 1940..	18	12	12	..
March, 1940..	19	23	18	..
April, 1940..	25	38	28	..
May, 1940..	18	35	28	..
June, 1940..	14	22	18	..
July, 1940..	8	19	10	..
August, 1940..	2	12	9	..
September, 1940.. ..	3	16	11	..
	367	291	295	

IMMIGRATION OF BRITISH CHILDREN

Mr. GRAYDON:

How many British children have immigrated from Great Britain to Canada since war was declared, (a) under governmental evacuation arrangements: (b) under private arrangements?

Mr. CRERAR:

(a) 1,532.

(b) 4,326.

IMPORTATIONS OF FRESH FRUITS AND VEGETABLES FROM UNITED STATES

Mr. GRAYDON:

What was the quantity and value of fresh fruits and vegetables of all kinds imported from the United States into Canada during each month from January 1 to November 1, 1940?

Mr. MacKINNON (Edmonton West): Imports from the United States of fresh fruits and vegetables during the months from January to September, 1940.

Month	Total fresh fruits	Total fresh vegetables
January	$ 862,283	$ 423,255
February	1,122,634	511,453
March	1,094,755	642,104
April	1,566,795	886,192
May	1,556,706	1,100,541
June	1,996,601	966,130
July	1,579,136	479,699
August	1,716,865	44,184
September	966,358	59,320

Imports for the month of October, 1940, are not available.

HOG CHOLERA OUTBREAKS

Mr. GRAYDON:

1. How many hogs died from hog cholera in Canada in each month of the year 1940?
2. How many hogs died from the said disease during the said period in the province of Ontario?
3. Have any areas in Canada been quarantined because of cholera outbreaks? If so, how many areas are now under quarantine?
4. What is the total amount of compensation paid by the government to hog owners during the year 1940?

Mr. GARDINER:

1 and 2. Figures are not available regarding hogs that died from hog cholera. The following statement shows the number of hogs ordered to be slaughtered in controlling this disease.

	(1) Dominion of Canada	(2) Province of Ontario
January, 1940	354	81
February	623	449
March	3,059	2,209
April	724	721
May	1,897	929
June	653	552
July	70	70
August	3,310	3,310
September	6,051	5,466
October (as recorded to date)	1,046	1,006

3. Yes, one area comprising the counties of Essex and Kent, Ontario.

4. Compensation awarded (as recorded to date), $118,318.

MAJOR-GENERAL L. R. LAFLECHE

Mr. McGREGOR:

1. Is Major-General L. R. LaFlèche in the employ of the dominion government?
2. If so, in what capacity, and what are his duties?
3. What is the amount of his salary and allowances?
4. Is he in receipt of any military or other pension?
5. If so, what is the amount thereof?
6. Is he in receipt of superannuation or other retirement allowances?
7. If so, what is the amount thereof?

Mr. GARDINER:

1. Yes.
2. Associate deputy minister; duties of a deputy minister.
3. $9,000, salary.
4. Yes; war disability pension.
5. $1,260; dependants' allowances, $744.
6. No.
7. See answer to No. 6.

UNEMPLOYMENT INSURANCE ACT—STATISTICS

Mr. ESLING:

What is the estimated aggregate revenue from employers and the estimated aggregate revenue from employees annually under the operation of the Unemployment Insurance Act?

Mr. McLARTY:

On page 6 of the actuarial report relating to the Unemployment Insurance Act, the following statement is made:

"On the basis of a contributory population in 1941 of 2,100,000, and of an average number of weeks of employment per person equal to that assumed for the purposes of estimating contributions, the total contributions for the year would be approximately $58,500,000 being approximately $9,700,000 by the government and approximately $24,400,000 each by employers and employed persons. The tentative nature of these estimates will be apparent; they relate to an average year only, and few years are average in the matter of employment and unemployment."

With the increase in the number of persons employed in industry and the annual amount

of employment obtained for each of those persons, it is probable that these estimates may have to be increased during the early operation of the act.

Mr. JACKMAN:

1. How large a personnel is now contemplated under the Unemployment Insurance Act?

2. How many of these will be taken over from existing provincial employment agencies?

3. How many of these will be taken over from other dominion government departments whose ordinary peace time activities have been curtailed or are temporarily in abeyance?

4. How many of this personnel will be located at the place of the head administrative office?

5. At what other centres will the remainder of the personnel be located, and approximately how many at each?

6. Initially, at what points will labour exchanges be established, and at what points will training centres be established?

Mr. McLARTY:

1. On page 5 of the evidence before the special committee on the unemployment insurance bill, it was stated: "It is impossible to make an exact estimate of the staff, but our feeling has been that it would not run much more than three thousand, even with the increased coverage that I have spoken of from one million six hundred thousand to two million one hundred thousand." In view of the increase in the number of persons likely to come under the act, there might have to be some adjustment in this figure.

2. This matter is at present being negotiated with the provinces.

3. The civil service commission is at present advertising some of the staff positions but no appointments have yet been made.

4. Unable to determine at present.

5. On page 5 of the evidence before the special committee on the unemployment insurance bill, the following statement is made: "We have estimated that there will be some eighty-three principal offices scattered throughout the country. In some of the larger cities more than one will be in the same centre. But we have estimated some eighty-three principal local offices and some fifteen hundred sub offices for the handling of the employment service and of the unemployment insurance aspects of the legislation together, because these matters will be taken care of in the same offices." It is anticipated that industrial areas with over 10,000 population will have a full-time office.

6. Covered by answer to previous question. No training centres will be operated by the unemployment insurance commission itself, but they will make use of existing facilities.

[Mr. McLarty.]

Mr. BENCE:

1. How many appointments have been made to positions under the Unemployment Insurance Act?

2. What are the names of such appointees?

3. What are the salaries and allowances of each such appointee?

Mr. McLARTY:

1. Three. No other permanent appointments have been made. In order to expedite the work the services of certain employees of the labour department have been utilized.

2. Dr. Joseph Sirois, chairman; Allan M. Mitchell, commissioner; R. J. Tallon, commissioner.

3. Salaries: Dr. Sirois, $12,000 per annum; Mr. Tallon, $8,000 per annum; Mr. Mitchell, $8,000 per annum; together with reasonable travelling expenses.

MUNITIONS AND SUPPLY—CONTRACTS

Mr. HAZEN:

1. What is the total value of the contracts let by the Department of Munitions and Supply and its predecessor purchasing bodies since war was declared to date for (a) war material and supplies of all kinds; (b) construction contracts?

2. What is the total value of the contracts let by the Department of Munitions and Supply and its predecessor purchasing bodies since war broke out to date in the province of New Brunswick to persons or companies for (a) war materials and supplies of all kinds; (b) construction contracts?

3. What are the names of the persons or companies to whom these contracts have been let in New Brunswick by the Department of Munitions and Supply and its predecessor purchasing bodies since war was declared, what was the nature of the goods or services contracted for in each case, when was the contract entered into, and what was the price of each contract?

Mr. HOWE: I desire to call the attention of the house to section 3 of this question. I have the answer in these closely typed pages under that number. In order to put that in a form to give my hon. friend, each page must be typed and decoded. These are in a code which we use for departmental records, and it will take weeks of stenographic work to prepare this information; I am sure that after my hon. friend has it he will have no information which is not contained in the monthly reports of contracts.

As far as sections 1 and 2 of this question are concerned, I hope to give the information when I speak later on; and in view of the impossibility of answering section 3, I would ask that the question be dropped.

Question dropped.

*TRANSPORTATION OF NON-COMMISSIONED OFFICERS AND MEN ON LEAVE

Mr. ROSS (Souris):

Will the government grant free transportation to all troops other than commissioned officers of the army, air force and navy entitled to Christmas leave or furlough in Canada?

Mr. POWER: The Minister of National Defence (Mr. Ralston) went into this question and answered it fully in the course of his address made on November 12 last.

Mr. SPEAKER: Answered.

MUNITIONS AND SUPPLY—FERTILIZER FOR AIRPORTS

Mr. SENN:

1. Has the Department of Munitions and Supply, or any other department of the government, purchased fertilizer to be used on the grounds and lawns surrounding the buildings at each of the following airports: Jarvis, Hagersville, Kohler, Dunnville?

2. If so, to whom was the contract awarded in each case?

3. How much fertilizer was purchased for each airport?

4. What was the contract price per ton?

5. How many firms, or individuals, tendered for these contracts?

6. What was the amount of the tender in each case?

Mr. HOWE:

1. The Department of Transport purchased fertilizer for use on the airports at Jarvis, Hagersville, Kohler and Dunnville, Ontario.

2. Orders for such fertilizer were issued as follows: Jarvis, Canadian Industries, Limited, Toronto; Hagersville, Canadian Industries, Limited, Toronto; Kohler, Canadian Industries, Limited, Toronto; Dunnville, Canada Packers, Limited, Toronto.

3. Jarvis, 7½ tons; Hagersville, 42 tons; Kohler, 46 tons; Dunnville, 42 tons.

4. $26.28.

5. Six.

6.

	Jarvis	Hagersville	Kohler	Dunnville
Canadian Industries Ltd., Toronto	$197.10	$1,103.76	$1,208.88	$1,103.76
Canada Packers, Limited, Toronto	197.10	1,103.76	1,208.88	1,103.76
National Fertilizers Ltd., Ingersoll	197.10	1,103.76	1,208.88	1,103.76
Wm. Stone Sons, Ltd., Ingersoll	197.10	1,103.76	1,208.88	1,103.76
The Oxford Farmers Co-Operative Produce Co. Ltd., Woodstock	216.75	1,125.60	1,242.00	1,134.00
Misner Seeds & Fertilizers, Port Dover	206.25	1,155.00	1,265.00	1,155.00

*POST-WAR RECONSTRUCTION AND REESTABLISHMENT

Mr. SHAW:

Will the government consider, at this session of parliament, the setting up of a select committee of the house to study and report upon general problems of reconstruction and reestablishment which may arise at the termination of the present war?

Mr. MACKENZIE KING: The government has been considering the matter to which reference is made.

FUR SEAL CONVENTION, 1911

Mr. REID:

1. Has the Canadian government received any information or notification from either Great Britain or Japan, of Japan's intention to terminate that country's agreement to the fur seal treaty affecting fur seals in the north Pacific waters?

2. If so, when would any such proposed termination take effect, and further, what reasons are being given by Japan for her proposed withdrawal from the treaty?

3. When was the treaty first signed or effected, and what countries are signatories to the treaty?

Mr. MACKENZIE KING:

1. The Canadian government received information, both from the charge d'affaires of the Canadian legation at Tokyo and from the government of the United Kingdom, through the High Commissioner for Canada, that the Japanese government were considering the termination of the fur seal convention, 1911.

2. Formal announcement of abrogation of this convention was made by the Japanese foreign office on the 23rd October, 1940, the abrogation to be effective on the 23rd October, 1941. The reason given for Japanese withdrawal from the convention was the wish to prevent further inroads made on the fishing industry by the rapidly increasing seal herds.

3. The convention for the preservation and protection of the fur seals in the north Pacific ocean was signed at Washington, D.C., on the 7th of July, 1911. Ratifications were deposited at Washington on the 12th December, 1911. The convention was signed on behalf of His Majesty the King and also on behalf of the United States, Russia and Japan.

GERMAN PRISONERS OF WAR

Mr. NICHOLSON:

1. Are the camps for the German prisoners of war on crown or private lands?

2. What are the total yearly rentals being paid for lands and buildings used for prisoners of war?

3. How much per day is spent for food for German prisoners in Canada?
4. How much per annum, per person, is proposed to be spent for shoes and clothing for the German prisoners?
5. Are medical and dental services and tobacco supplied free for German prisoners in Canada?
6. Is beer supplied free to German officers in prison camps?
7. How much per day are prisoners of war paid for working?

Mr. CASGRAIN:

1. Some camps are on private lands and other camps are on crown lands. The majority of the camps are on crown lands.

2. $35,278, all recoverable from the government of the United Kingdom.

3. $2,517, of which the sum of $2,114 is recoverable from the government of the United Kingdom.

4. $42.33, the government of the United Kingdom undertaking to pay in the case of prisoners of war and civilian internees transferred from Great Britain.

5. In accordance with the terms of the international convention relative to the treatment of prisoners of war, medical and dental services provided for combatant prisoners of war (officers and other ranks) are the same as those provided for Canadian active service force. Civilian internees are given emergency treatment and they pay for any special treatment. Under article 11 of the convention the use of tobacco shall be authorized and under article 12 canteens shall be installed. Tobacco is not supplied free at the expense of the government of Canada.

6. No.

7. Prisoners of war and civilian internees receive no pay for work in connection with the administration, internal arrangement and maintenance of interment camps. When work other than the above is performed, payment is at the rate of twenty cents per day.

Mr. ESLING:

1. Is an allowance provided for German prisoners of war in Canadian internment camps?
2. If so, how much do officers receive, and how much do private soldiers and civilians receive?

Mr. CASGRAIN:

1. No allowance is provided by Canada for German prisoners of war in Canadian internment camps except that under arrangement with the United Kingdom government disbursements of pay are made to combatant officer prisoners of war who were sent from the United Kingdom to Canada for internment. The rates of pay to combatant officer prisoners of war were fixed in accordance with article 23 of the international convention relative to the treatment of prisoners of war by agreement between the government of the United Kingdom and the German government. Any disbursements in Canada in this connection are made by the government of Canada at the request of the government of the United Kingdom and, under the agreement, are recoverable by Canada from the government of the United Kingdom which, in turn, it is assumed, is reimbursed by the German government in accordance with the terms of article 23 of the international convention.

2. The rates of pay for officers were determined as set out in 1, by agreement between the government of the United Kingdom and the German government and all the terms of this agreement are not available to the government of Canada.

Combatant prisoners of war other than those of officer rank and civilians who may be interned in Canada receive no pay or allowances unless work other than camp fatigues is performed in accordance with the terms of the international convention.

BOARD OF TRANSPORT COMMISSIONERS

Mr. REID:

1. Who are the members of the board of transport commissioners?
2. What were the dates of their appointments?
3. What remuneration does each receive?
4. What term of years was each appointed for, and when does the term of each expire?
5. What was the occupation or business apart from any public office previously held by the various commissioners before appointment?
6. What is the total cost of expenditure annually of the board of transport commissioners?

Mr. CARDIN:

1. Chief Commissioner, Colonel J. A. Cross, D.S.O., K.C.; Assistant Chief Commissioner, Hugh Wardrope, Esq.; Deputy Chief Commissioner, F. N. Garceau, K.C.; Commissioners, J. A. Stoneman, G. A. Stone and Lieut.-Colonel F. M. MacPherson.

2. Colonel J. A. Cross, D.S.O., K.C., order in council February 20, 1940, sworn in April 1, 1940.

Hugh Wardrope, Esq., appointed November 8, 1938.

F. N. Garceau, Esq., K.C., appointed September 16, 1933.

J. A. Stoneman, Esq., appointed March 12, 1929, and reappointed March 12, 1939.

G. A. Stone, Esq., appointed December 16, 1931.

Lieut.-Colonel F. M. MacPherson, appointed September 21, 1939.

3. Chief Commissioner, $12,500; Assistant Chief Commissioner, $9,000; Deputy Chief Commissioner and other commissioners, $8,000.

4. Under the Railway Act appointments are for a term of 10 years, unless the appointee reaches the age of 75 years in the interim.

5. Colonel J. A. Cross, D.S.O., K.C., barrister; Hugh Wardrope, Esq., barrister; F. N. Garceau, Esq., K.C., advocate; J. A. Stoneman, Esq., farmer and rancher; G. A. Stone, Esq., locomotive engineer; Lieut.-Colonel F. M. MacPherson, automobile business and undertaker.

6. Board, staff, etc., all inclusive, $316,946.58 for the fiscal year 1939-40.

GORTON PEW FISH COMPANY

Mr. ROY:

1. Has the government given any grants or subsidies to the Gorton Pew Fish Company of Halifax, since 1930?
2. If so, for what different items were these grants or subsidies paid?
3. What were the total amounts?
4. What sums were granted to this company for its works at Caraquet?

Mr. MICHAUD:

1. No.
2. Answered by No. 1.
3. Answered by No. 1.
4. None; but approval was given to diversion of an amount of $75,000—from the allotment of $100,000—to New Brunswick out of the appropriation for 1939-40 "to enable aiding fishermen, etc.," so that a fish cold storage plant at Caraquet, N.B., financed jointly by the province of New Brunswick and the Gorton Pew (New Brunswick) Ltd., might be subsidized.

CANADIAN TRAVEL BUREAU

Mr. ISNOR:

1. What was the total appropriation and expenditure of the Canadian travel bureau for the fiscal year 1939-40?
2. How much was expended in (a) foreign magazine advertising; (b) foreign newspaper advertising?
3. What was the total expenditure in foreign advertising?
4. What amount of the said appropriation was expended in (a) salaries; (b) advertising counsel; (c) general office expenses; (d) travel expenses and entertainment; (e) work and supplies from printing bureau; (f) booklets and other supplies from Canadian firms; (g) other items to make up the total?

Mr. CARDIN:

1. Appropriation, $315,000; expenditure, $311,595.07.
2. (a) $98,459.07; (b) $63,927.55.
3. $162,386.62.
4. (a) $37,570.60; (b) nil; (c) $4,447.76; (d) $2,376.72; (e) $23,634.20; (f) $40,147.57; (g) payments to celebrations and festivals in aid of the promotion of tourist travel to Canada, $25,500.

MALCOLM MACLEAN

Mr. NICHOLSON:

1. What are the duties of Malcolm MacLean, ex-member of parliament?
2. Did he serve with the air force during the great war?
3. What was his rank during the great war?
4. In what theatre of war did he serve?
5. How much has he been paid in salary and for expenses since his present appointment?

Mr. POWER:

1. As special assistant to the Minister of National Defence for Air, he performs such duties as may be assigned to him but not of an administrative character.
2. No.
3. Corporal.
4. Canadian expeditionary force (Siberia).
5. Salary, $1,566.65: expenses, $109.90.

RADIUM SUPPLIES

Mr. WINKLER:

1. Have mining and refining operations of radium in Canada been suspended and the staffs discharged?
2. Is the government aware of any agreement between the Belgian and Canadian radium companies whereby Belgian (Congo) ore will be used in the interim?
3. Have we adequate supplies of radium in Canada, should the Belgian (Congo) supply be cut off by war operations?

Mr. CRERAR:

1. The government is informed that operations at the mine at Port Radium, N.W.T., have been temporarily suspended as sufficient ore has been mined to meet refinery requirements for at least two years. The company reports that owing to curtailment of export markets due to the war, production for the time being will only be conducted on a scale sufficient to take care of current orders.
2. No.
3. Yes.

CANADIAN APPLE CROP

Mr. ROY:

1. Has the Department of Agriculture had a surplus of apples this year?
2. If so, has the government decided to distribute gratuitously a portion of this surplus crop to different institutions in the province of Quebec, as well as to the unemployed of Gaspé county and to the sufferers from lack of markets of the fishing industry of the Magdalen islands?

Mr. GARDINER:

1. At this date no surplus of the 1940 Canadian apple crop is apparent.
2. Answered by No. 1.

SALES OF WAR SAVINGS STAMPS AND CERTIFICATES

Mr. GRAYDON:

1. What is the total amount invested to date by the Canadian people in war savings stamps and certificates?

2. What amount have the citizens of each province of the dominion so invested?

Mr. ILSLEY:

1. As at October 31, 1940, the amount invested in war savings certificates by the Canadian people was $20,873,344 in payment of certificates with a maturity value of $26,091,680; as of the same date sales of war savings stamps amounted to $3,036,981.25, of which $1,612,920 had been turned in in payment of war savings certificates and are therefore included in the amount of certificates sold shown above. Thus the net total amount invested in war savings certificates (at purchase price) and war savings stamps as at October 31, 1940, was $22,297,405.25, or $27,515,741.25 taking the war savings certificates at their maturity value.

2. Information is not available as to the distribution by provinces of sales of war savings stamps. As at October 31, 1940, sales of war savings certificates by provinces were as follows:

Province	Purchase price	Maturity value
Prince Edward Island	$ 105,776	$ 132,220
Nova Scotia	1,050,464	1,313,080
New Brunswick	660,480	825,600
Quebec	3,667,028	4,583,785
Ontario	8,622,172	10,777,715
Manitoba	1,614,796	2,018,495
Saskatchewan	1,352,724	1,690,905
Alberta	1,413,108	1,766,385
British Columbia	2,360,628	2,950,785
Canada (including Yukon)	$20,873,344	$26,091,680

*CIVILIAN FLYING SCHOOLS

Mr. PERLEY:

1. What are the names of all the civilian flying schools carrying on training for the Department of National Defence for Air?

2. What is the reason for training being carried on under these auspices rather than under the direct control of the department?

3. What is the nature of the arrangement entered into between the Department of National Defence for Air and such civilian flying schools?

4. Who are the officers and directors of each such flying school?

5. How many of these flying schools have been established or set up since the outbreak of war?

[Mr. Gardiner.]

Mr. POWER: With respect to this question, I dealt very fully with the whole question of civilian flying schools the day before yesterday when I addressed the house. In so far as documents are required to be produced, I am producing a copy of the contract, in reply to motion for production of papers made by the hon. member for Vancouver East (Mr. MacInnis). It is being produced this afternoon.

PERCENTAGE COST OF TAX COLLECTIONS

Mr. CARDIFF:

What was the percentage relationship of the cost of collection to the amount collected in the fiscal years ending March 31, 1935, 1936, 1937, 1938, 1939, and 1940, of each of the following taxes: income tax, customs duties, excise duties, excise taxes excluding sales tax, and sales tax?

Mr. GIBSON:

Percentage Cost of Collection

Fiscal Year	Income Tax per cent	*Customs and Excise per cent
1934-35	2·95	2·97
1935-36	2·56	3·20
1936-37	2·08	2·71
1937-38	1·87	2·48
1938-39	1·70	2·76
1939-40	1·85	2·48

* Information as to percentage cost of collecting duties and taxes separately not available, it being impossible to segregate this expenditure under separate items.

AUDITOR GENERAL'S REPORT—GRANTS FOR MAINTENANCE OF LEPERS

Mr. DESMOND:

What action is proposed by the government with respect to the suggestion of the auditor general in his report for the year ending March 31, 1940, at page 314, that grants for the purpose of maintenance of lepers should fluctuate in accordance with the number of patients undergoing treatment?

Mr. MACKENZIE (Vancouver Centre): No action is proposed unless the number of patients should increase to a considerable extent, it being deemed that the present amount is the minimum required to ensure that adequate treatment facilities are available.

AUDITOR GENERAL'S REPORT—UNCOLLECTABLE ACCOUNTS RECEIVABLE

Mr. GRAYDON:

What action is proposed by the government with respect to the large number of uncollectable accounts receivable, disclosed by the auditor general's report for the year ended March 31, 1940, at page 561?

Mr. ILSLEY: Although it is not usual for the government to make a statement on matters of policy in giving replies to questions, in the present instance assurance is given that the matter concerned is receiving consideration by the Minister of Finance and treasury board.

*AUDITOR GENERAL'S REPORT—TRANSPORTATION EXPENSES OF JUDGES

Mr. BENCE:

Has any consideration been given by the government to the question of establishing a uniform basis for transportation expenses for judges of the superior courts of the provinces, in accordance with the suggestion made by the auditor general in his report for the year ending March 31, 1940, at page 146?

Mr. LAPOINTE (Quebec East): The report of the auditor general was brought down only a few days ago, and I have just read the item mentioned in this question. I do not see in the note of the report that his suggestion involves any change in the present practice. I will, however, consider the matter.

AUDITOR GENERAL'S REPORT—EXTRA EXPENDITURE AT THOUSAND ISLANDS BRIDGE

Mr. BOUCHER:

What action is proposed by the government to meet the objection taken by the auditor general in his report for the year ending March 31, 1940, at page 288, to a payment of $4,995 for the excavation of rock at the customs house site at the Thousand Islands bridge?

Mr. GIBSON:

1. No further action is deemed necessary.

2. The Thousand Islands bridge authority has constructed entirely at their own expense all customs and immigration buildings required by charter or order in council at the Canadian terminal, including a warehouse with a special division for the handling of bus passengers.

3. The Department of National Revenue has not contributed in any way whatever to the cost of these structures, but acting jointly with the provincial highway authorities, we have improved the northern entrance to the customs detention yard.

4. This improvement was carried out for the following reasons:

(a) Elimination of existing danger of a "blind curve" at the entrance to the customs detention yard; including safety factor for customs officers examining cars in customs detention yard;

(b) Improved accessibility to existing and proposed customs facilities;

(c) Improved visibility essential to control of traffic by customs officers.

5. The rock removed under contract was not located on premises of the Thousand Islands bridge authority, but on the public highway, and this land stands in the name of His Majesty the King, in the right of the province of Ontario.

6. The work was completed on a fifty-fifty basis and one-half of the total expenditure was repaid by the provincial department of highways, leaving the federal expenditure in the net amount of $2,497.50.

AUDITOR GENERAL'S REPORT—CHANGE IN FORM

Mr. SENN:

What are the reasons for the change in form of the auditor general's report?

Mr. ILSLEY: To harmonize the style of the report with the form in which estimates are currently presented to the House of Commons; to provide a reader in either English or French with a complete text in his language of preference; to reduce the general overhead cost of preparation, and to permit more time being devoted to the actual audit of accounts.

AUDITOR GENERAL'S REPORT—INDIAN TRUST FUNDS INTEREST RATE

Mr. LOCKHART:

Has any consideration been given by the government to a reduction in the rate of interest on Indian trust funds, in accordance with the suggestion contained in the auditor general's report for the year ending March 31, 1940, at page 97?

Mr. ILSLEY: Although it is not usual for the government to make a statement on matters of policy in giving replies to questions, in the present instance assurance is given that the matter concerned is receiving consideration by the Minister of Finance and treasury board.

POST OFFICE DEPARTMENT—DISBURSEMENTS FROM REVENUE COLLECTIONS

Mr. TUSTIN:

1. What sums of money have been disbursed by the Post Office Department in each fiscal year since 1935, directly from postal revenue collections?

2. Have any of these sums ever been appropriated by parliament?

3. What are the reasons for this practice of disbursement directly from revenue account?

Mr. MULOCK:

1. Amounts disbursed by Post Office Department from postal revenue for each of the last fiscal years since 1935 are as follows: 1935-36—$6,695,611.30; 1936-37—$6,907,014.35; 1937-38—$7,452,188.14; 1938-39—$7,607,958.64;

1939-40—$7,479,264.69. This information is given annually in the Postmaster General's report.

2. No.

3. These payments consist mainly of commissions earned by postmasters at rural post offices on their stamp sales, etc. As the commissions fluctuate at each individual point no accurate estimate can be given in advance as to the amount required. This has been the practice under all administrations since 1868, and the department is strongly of the opinion that it is the least expensive and most effective method of making payment of these amounts.

BELLEVILLE, ONT., R.R. 8 MAIL DELIVERY

Mr. STOKES:

1. Were tenders called for rural route No. 8 mail delivery at Belleville, Ontario?

2. If so, who was the successful tenderer, and what was the amount of such tender?

3. Was this the lowest tender?

4. Did any returned soldier tender on this route?

5. If so, what was his tender?

Mr. MULOCK:

1. Yes. In May, 1938, and in October, 1938.

2. Blake D. Harns. $275 per annum.

3. No. The tenders submitted in May, 1938, were not acted upon following representations that adequate publicity had not been given to notices inviting tenders.

In October, 1938, the following tenders were submitted: George E. Ketcheson $264 per annum; Blake D. Harns $275 per annum.

The tender of Mr. Ketcheson was not considered, he being a non-resident.

4. No information.

5. See answer to No. 4.

DAYLIGHT SAVING TIME

Mr. FRASER (Peterborough West):

Has the government considered making daylight saving national for the duration of the war?

Mr. HOWE: This question deals with a matter of government policy which will be made known in due course.

Mr. SPEAKER: Answered.

Mr. MacKINNON (Kootenay East):

1. On what date did the power controller order the retention of daylight saving time?

2. What is the estimated saving of electrical power which will result from such order?

3. Has any consideration been given to the representations of certain municipalities to the effect that this order will cause an increase rather than a reduction in the use of electrical energy in their municipality?

4. If so, what conclusions have been reached?

[Mr. Mulock.]

Mr. HOWE:

1. September 20, 1940, by P.C. 4994.

2. Estimated saving on peak load of 189,000 H.P.

3. No representations received by minister.

4. Answered by 3.

OTTAWA TEMPORARY GOVERNMENT BUILDINGS

Mr. BOUCHER:

1. What was the cost of erecting each of the temporary buildings on Wellington street in the city of Ottawa?

2. What is the amount of floor space in each such building?

3. What is the estimated cost of construction of the third temporary building on Wellington street?

4. What amount of floor space is to be provided in such building?

5. What is the estimated cost of construction of the temporary building on Green island in the city of Ottawa?

6. What amount of floor space is to be provided in such building?

7. Who was or is the contractor for each building?

8. Were the contracts let by tender?

Mr. CARDIN:

1. Building No. 1—$135,577.61, plus additional work not yet paid for estimated by the chief architect at $21,060.56. Building No. 2—$378,684.45.

2. Building No. 1—42,250 sq. ft. Building No. 2—123,000 sq. ft.

3. $409,999 (amount of contract).

4. 117,200 sq. ft.

5. $90,339.57.

6. 32,721 sq. ft.

7. Building No. 1—Guinane Construction Co., Ltd., Toronto, Ont. Building No. 2—A. Janin Co., Ltd., Montreal, P.Q. Building No. 3—H. Dagenais Ltd., Ottawa, Ont. Green Island, temporary building—H. Dagenais Ltd., Ottawa, Ont.

8. Yes.

PROVINCIAL INCOME TAX COLLECTIONS BY DOMINION GOVERNMENT

Mr. MacKINNON (Kootenay-East):

1. For what provinces does the Department of National Revenue collect income taxes?

2. What charges, if any, are made for this service?

Mr. GIBSON:

1. Prince Edward Island; Quebec; Ontario; Manitoba; Yukon Territory.

2. Prince Edward Island, $4,000; Quebec, 2 per cent of taxes collected; Ontario, $80,000; Manitoba, $45,000; Yukon Territory, 2 per cent of taxes collected. The charge for collection of provincial taxes is subject to adjustment each year.

VOLUNTARY SERVICE REGISTRATION BUREAU

Mr. BENCE:

1. Has the voluntary service registration bureau been disbanded?
2. If so, for what reason?
3. What use has been made of the information compiled and offers of service classified by this bureau?

Mr. CASGRAIN:

1. No, but staff greatly reduced as volume of work diminished.
2. Answered by No. 1.
3. All departments of government were on several occasions advised that records of the offers received in the voluntary service registration bureau were available for their consideration and study. They were also furnished with particulars of the various classifications of offers. Many of the departments, other boards and agencies associated with the war effort, which are seeking the services of specially trained employees examine the records, which are, of course, also available to the civil service commission.

MUNITIONS AND SUPPLY—INQUIRY AS TO EMPLOYMENT OF SENATORS

Mr. LOCKHART:

1. Are any member of the Senate of Canada employed in the Department of Munitions and Supply?
2. If so, in what capacity?
3. At what salary, and/or allowance, are they so employed?

Mr. HOWE:

1. No.
2. Answered by 1.
3. Answered by 1.

CANADIAN NATIONAL RAILWAYS—PRINCE HENRY

Mr. McGREGOR:

1. Did the Canadian National Steamships Company sell the *Prince Henry* to the Clark Steamships Company Limited?
2. If so, when?
3. What was the purchase price of the vessel?
4. What amount was paid as an initial payment?
5. What was the amount of the annual instalments, and for how many years were they paid?
6. Has this vessel been purchased since the outbreak of war by the dominion government?
7. If so, what was the purchase price?
8. What service is this vessel performing?

Mr. CARDIN:

1. S.S. *Prince Henry* was sold on December 23, 1938, by its owners, the Canadian National Railways, on recommendation of the board of directors of the said railway, duly approved by the governor in council.
2. Answered by No. 1.
3. $500,000.
4. $150,000.
5. $50,000; with right to complete payment at any time.
6. Subsequent to the outbreak of war the vessel was requisitioned by the Canadian government for naval purposes. As in the interval the owners, the Clark Steamship Company, were found to have expended $108,841 in alterations and improvements, together with an additional spare propeller and tail shaft, the Department of Munitions and Supply, which conducted the negotiations for transfer of ownership, allowed the Clark Steamship Company $600,000 in settlement, from which award the outstanding obligations to the Canadian National Railways were satisfied.
7. Answered by No. 6.
8. Answered by No. 6.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MILITARY, NAVAL AND AIR FORCES

Mr. CHURCH:

1. What were the military forces of Canada, of all kinds, as of November 1, 1940, in (a) militia; (b) overseas; (c) air; (d) naval services?
2. How many divisions has Canada now fully equipped and drilled?
3. Are any more contemplated to enable Canada to cooperate and coordinate with Great Britain in taking the offensive on the axis powers in various theatres of war?
4. Was recruiting for overseas suspended during the thirty days and two weeks' training under the War Service Act? If so, on whose recommendation?
5. What recruiting is now being carried on?
6. What military forces of all kinds has Canada now in Britain or in other European battle areas and how many officers and men from Canada are now overseas?

Mr. CASGRAIN (for Mr. Ralston): Return tabled.

PRINTING CONTRACTS

Mr. GRAYDON:

1. To what corporation, firms or individuals has the government given contracts for printing during the year 1940?
2. For what did the contract call in each instance, and what was the price?

AIR CADET LEAGUE OF CANADA

Mr. SHAW:

1. To what extent is the government of Canada behind the Air Cadet League of Canada?
2. How far has the organization of this league advanced at the present time?
3. How are the local organizations of the league being set up?

Mr. POWER: Return tabled.

ROYAL CANADIAN AIR FORCE

Mr. ESLING:

How many applicants for the air service in each province who have been examined and accepted have not yet been called up?

BUREAU OF PUBLIC INFORMATION

Mr. ESLING:

1. How many employees are in the Bureau of Public Information?
2. What is their aggregate salary?
3. How many employees are engaged in publicity work in each of the following departments: (a) external affairs; (b) national defence; (c) national defence for air; (d) national war services and its subsidiaries; (e) munitions and supply; (f) national revenue; (g) post office; (h) mines and resources; (i) fisheries; (j) agriculture; (k) trade and commerce; and (l) transport?
4. What is the aggregate salary in each of these departments of those engaged in publicity work?

LOBSTER CANNING AND PROCESSING INDUSTRY

Mr. BLACK (Cumberland):

1. What are the names and addresses of persons employed by the government in the marketing, handling and storage of canned, or whole, or processed lobsters during the year 1940 at, (a) Halifax, Nova Scotia; (b) Shediac, New Brunswick; (c) Charlottetown, Prince Edward Island; (d) any other place?
2. For what period was each such person employed, what were his duties, what was his rate of remuneration and the amount paid for (a) services, and (b) expenses?
3. What is the name of each person or packer or dealer from whom the government purchased canned lobsters, the quantity purchased from each and the amount paid to each person or packer or dealer per case and the total payment?
4. What were the rents or charges paid for offices, storage or warehouse space, the location and the periods of lease or use, to whom were payments made and the amount paid for each such premises?
5. What were the additional expenditures, stating for what purposes they were made and to whom paid?
6. Did any government employee buy, sell or handle any canned lobsters for private account?
7. If so, what are the names and particulars of any such person's business and did he have the permission of the government to engage in such business?

SUSSEX AND FREDERICTON MILITARY CAMPS—HUTMENTS

Mr. HATFIELD:

1. What are the dimensions of the hutments erected at the military camps at Sussex and Fredericton?
2. What are the specifications of the lumber used in their construction?
3. Was the lumber used in their construction planed for size?

Mr. POWER: Return tabled.

[Mr. Power.]

MILITARY CAMPS—SUPPY OF GARBAGE CANS

Mr. HATFIELD:

1. How many garbage cans have been ordered for use in military camps?
2. From whom were they ordered, and at what price?
3. How many were sent to each military district?
4. When were they shipped to each military district, and when did they arrive?
5. Were they put into immediate use or were they stored?
6. If they were stored, where were they stored?

Mr. POWER: Return tabled.

IMPORTS OF VEGETABLES AND FRUITS

Mr. REID:

1. What amounts of table potatoes have been imported from the United States during the months of 1940 to October 31, giving the importations into the various provinces during those same months?
2. What was the sum or sums of United States currency allowed by the foreign exchange control board from January 1 to October 31, 1940, for the purchase of United States table potatoes?
3. What amounts of United States currency, United States funds or United States credits have been allowed or granted Canadian importers during 1940 to October 31, for importations of fresh fruits and vegetables?
4. Has the foreign exchange board received any application from Canadian importers for the importation of quantities of tangarines from Japan?
5. If so, what amounts of United States or Canadian funds have been granted or allowed by the foreign exchange board for the importation of tangarines?

MILITARY ENLISTMENTS AND COMMISSIONS

Mr. FAIR:

1. How many men have enlisted from each province in the various branches of the fighting forces of Canada since July 1, 1939?
2. How many of these men from each province have been granted commissions since enlisting with (a) less than three months' service, (b) less than six months' service?

BACON BOARD—RECEIPTS AND EXPENDITURES

Mr. WRIGHT:

1. What amount of money has been paid to the bacon board from all sources?
2. What disposal has been made of this money to date?
3. To whom, and for what purposes have payments been made?
4. What amount remains to the credit of the board?
5. How does the board propose to distribute these funds?

EAST CALGARY SUPPLY DEPOT

Mr. JOHNSTON (Bow River):

What is the government engineer's estimated price of each of the buildings at the supply depot in east Calgary?

Mr. POWER: Return tabled.

WAR INDUSTRY—OWNERSHIP AND CONTROL OF PRIVATELY OWNED PLANTS

Mr. COLDWELL:

1. What is the number of privately-owned plants or establishments towards the equipment and upkeep of which the Canadian and/or British government have been or are contributing in accordance with contracts entered into with the owners of such plants or establishments?

2. What are the names of the firms owning such plants or establishments?

3. What is the amount so spent (a) in total, (b) on each such plant or establishment?

4. In whom is the ownership in the equipment, extensions and so on thus provided by the Canadian and/or British government vested according to the contracts entered into with the owners of the plants or establishments?

5. What measure of control does the government retain over the operation and conduct of such plants or establishments?

6. What is the rate of profit generally allowed in munitions, armaments, supplies and other war contracts?

7. Are there any provisions in any of such war contracts relative to wages, working conditions and trade union organization in such plants or establishments?

WAR INDUSTRY—PUBLICLY-OWNED PLANTS

Mr. COLDWELL:

1. What is the number of munition, aeroplane, tool, chemical and other plants or establishments purchased, erected or otherwise acquired and owned by the Canadian government on its own behalf and/or on behalf of the government of the United Kingdom?

2. What is the amount of money spent on such plants or establishments (a) in total, (b) on each of them separately?

3. What are the names of the companies created for the control and direction of such plants or establishments?

4. Have such companies been incorporated under the dominion or any provincial companies act?

5. What are the names of the directors of each such company, plant or establishment, and what is the position or positions now or formerly occupied by each such director in any industrial or financial institution?

6. What are the precise powers and duties of the boards of directors of the government-owned companies, plants or establishments?

7. Do such directors receive any salary or allowance? If so, what are the salaries or allowances paid or to be paid such directors?

8. What are the respective commodities for the production or processing or purchase of which each government-owned plant or establishment is being or is intended to be used?

9. What are the names of the managers or general managers of each of the government-owned plants or establishments, and what is the position or positions now or formerly occupied by each such manager in any industrial or financial institution?

10. What are the salaries and/or allowances paid such managers?

11. (a) Under what legal authority have such plants or establishments been acquired or set up by the government? (b) If under the authority of orders in council, does the governor in council issue a separate order for each acquisition or transaction, or has the minister been given wide authority in this sphere under one order in council? (c) Do such orders in council, if any, set forth the directors, capitalization, powers and duties, control and, generally, conduct of such government-owned plants or establishments or companies?

12. Has the government made any commitments as to the disposal of such plants, establishments or businesses after the war?

13. Has the government any plan regarding the disposal of such plants after the war?

14. Has the government laid down any labour policy regarding wages, working conditions and trade union organization in government-owned plants or establishments?

MUNITIONS AND SUPPLY—SUBSIDIARY CORPORATIONS

Mr. FRASER (Peterborough West):

1. What are the names of all the corporations created under the Department of Munitions and Supply?

2. What is the function or purpose of each such corporation?

3. Where is the head office of each such corporation?

4. Who are the officials and directors and/or members of each such corporation?

Mr. HOWE: Return tabled.

CIVIL SERVICE—LOWER SALARY GRADES

Mr. CHAMBERS:

1. How many married men are regularly employed throughout the civil service at $60 a month or less?

2. What is the length of service of these employees?

3. After deduction, what is the net amount paid monthly to a person whose salary is $60 a month or less?

4. Has any official recommendation been made by the civil service commission to the treasury board in connection with the rates of pay of lower grade employees, including both single and married persons? (a) If so, may the said recommendation be tabled; (b) has the treasury board taken any action to implement such recommendation?

ENEMY ALIENS—PUBLIC EMPLOYMENT

Mr. GRAYDON:

1. Are there any German or Italian nationals employed in any department of the dominion government?

2. If so, how many of each are so employed?

UNITED STATES DESTROYERS ALLOCATED TO CANADA

Mr. HAZEN:

1. How much did it cost to alter and put in commission each of the six destroyers that were made available to the Canadian navy from the fifty destroyers that the United States of America handed over to Great Britain in exchange for naval bases in the Bahamas, the British West Indies and British Guiana?
2. Where and by whom were each of these destroyers altered, repaired and put in commission?
3. Are each of these six destroyers in commission, and on active service?

CONSTITUENCY REGISTRATIONS

Mr. HAZEN:

1. How many persons were registered in each constituency in Canada on August 19th, 20th and 21st last?
2. Of the number registered in each constituency, how many were males and how many females?
3. What was the cost in each constituency of the registration?

SALT FISH BOARD—DEFICIENCY PAYMENTS

Mr. ROY:

1. What were the names of the recipients of deficiency payments made by the salt fish board for the fiscal year 1939-40, to fishermen of Sainte-Madeleine, Mont-Louis, St-Joachim, Ste-Anne-des-Monts, Cap-Chat, Capucins and Méchins, Gaspé county, and how much was paid to each?
2. What was the total amount paid under this heading in the county of Gaspé in 1939-40?
3. What fish dealers or agents recommended or testified as to the quantities for which such payments were made to the fishermen?
4. What was the total amount paid upon recommendation of each of these individuals?

FISHING GEAR AND SUPPLIES TO NEEDY FISHERMEN

Mr. ROY:

1. What are the names of the needy fishermen who received fishing gear and supplies, and for what amount each, out of the total of $2,750 paid to D. Bouchard Ltée, of Ste-Anne-des-Monts, Gaspé county, during the fiscal year 1939-40, as shown in sessional paper No. 114, tabled Thursday, November 14, 1940, and what did such gear and supplies consist of?
2. What are the names of the needy fishermen who received fishing gear and supplies, and for what amount each, out of the total of $1,316 paid to M. A. Beaulieu, and $781 paid to Anicet Létourneau, both of Mont-Louis, Gaspé county, in the said year, as shown in the same sessional paper, and what did such gear and supplies consist of?

MAGDALEN ISLANDS FISHERMEN

Mr. ROY:

1. Has the government received any request for help from the needy people of the Magdalen islands?
2. If so, has the government replied, and in what way?

[Mr. Graydon.]

MOTIONS FOR PAPERS

WHEAT COOPERATIVE MARKETING ACT—VOLUNTARY POOLS

Mr. COLDWELL:

For a return showing: the number of voluntary pools formed under the provisions of the Wheat Cooperative Marketing Act, 1939, together with the names and addresses of such pools and the names of elevator companies forming each of the pools;

Also a statement for each pool showing: (a) gross sales price per bushel, basis Fort William; (b) sales expense and operating expenses per bushel; (c) net sales prices per bushel; (d) initial payment per bushel to farmer; (e) interim payment per bushel to farmer; (f) net final payment per bushel to farmer.

Mr. GARDINER: Some of this information may be confidential and the order will be complied with except in so far as it involves such information.

Mr. SPEAKER: Carried with that proviso.

NATIONAL WAR SERVICES—WINNIPEG ORGANIZATION

Mr. MAYBANK:

For a return showing: the name, address, age, sex and marital condition of every employee in the office of the divisional registrar under the national war services organization at Winnipeg, Manitoba;

Also a statement showing whether there are any married women so employed, and whether any such have husbands gainfully employed, and, if so, their names;

Also a statement showing whether any of such employees are in receipt of any government annuity, either dominion, provincial or municipal, and, if so, the name of such person or persons, the nature of such payment and the amount thereof;

And also a statement showing whether any of the said employees are returned soldiers, and, if so, what are their names.

NATIONAL RESOURCES MOBILIZATION ACT—RULES AND REGULATIONS

Mr. CHURCH:

For a copy of all rules and regulations issued by order in council or otherwise under the War-time Service Act, 1940.

Mr. MACKENZIE KING: There is no such act as the war-time service act, 1940. I imagine the hon. member meant the National Resources Mobilization Act. If so, the minister informs me that most of the orders and regulations have already been tabled but there are probably some that may have been passed recently, and in that event the minister will have them tabled forthwith.

Mr. HANSON (York-Sunbury): Could the motion stand until we ascertain just what the hon. member means? I was myself rather puzzled by it.

Mr. MACKENZIE KING: It can stand.

Motion stands.

HINCHCLIFFE, SASK., POST OFFICE

Mr. NICHOLSON:

For a copy of all letters, telegrams, petitions, recommendations and other documents in the possession of the Post Office Department, dated during the past year, in connection with the change of postmaster at Hinchcliffe, Saskatchewan.

NON-INTEREST WAR LOAN SUBSCRIPTIONS

Mr. COLDWELL:

For a return showing: (1) number of subscriptions to interest-free war loans; (2) average amount of such subscriptions; (3) a list of such subscriptions with the amounts subscribed by each subscriber; (4) what steps the minister has taken to popularize voluntary non-interest war loan subscriptions.

Mr. ILSLEY: The first two parts of this motion are all right so far as I am concerned, but I do not think the third and fourth can properly be moved for in the house. The list of subscriptions, with the amount subscribed by each subscriber, could not be given. We asked subscribers whether they would like to have their names published, whether they were willing to have the government give such publicity, and some of them did not wish to have that done. As regards the fourth part of the motion, as to what steps the minister has taken to popularize voluntary non-interest war loan subscriptions, that is a question which is hardly susceptible of precise answer in a return, nor is it usual to ask such questions in motions for returns. I suggest that the motion pass as regards clauses 1 and 2.

CANADIAN BROADCASTING CORPORATION—ALAN B. PLAUNT

Mr. ROSS (St. Paul's):

For a copy of all correspondence, reports, memoranda and other documents passing between Alan B. Plaunt, formerly a member of the board of governors of the Canadian Broadcasting Corporation and any official of the Canadian Broadcasting Corporation or the Minister of Transport or any other minister, since January 1, 1939.

Mr. COLDWELL:

For a copy of the order in council accepting the resignation of Alan B. Plaunt, formerly a member of the board of governors of the Canadian Broadcasting Commission, which, according to a statement made by the Honourable C. D. Howe at Quebec, on October 25, 1940, was accepted about three weeks prior to that date.

Mr. HOWE: Return tabled.

ATTITUDE OF CANADA IN THE EVENT OF WAR BETWEEN HIS MAJESTY AND ANY OTHER POWER

Mr. HAZEN:

For a copy of all correspondence, letters, cables and other documents exchanged between His Majesty's government in the United Kingdom and His Majesty's government in Canada from September 1, 1938, to September 15, 1939, relating to the attitude of Canada in the event of an outbreak of hostilities between His Majesty and any other power.

Mr. MACKENZIE KING: I must point out, with respect to this motion, in the first place that it would be necessary to obtain the consent of his majesty's government in the United Kingdom for the production of any of the documents or correspondence requested but altogether apart from that I do not think that either his majesty's government in the United Kingdom or his majesty's government in Canada would at the present time deem it advisable to make public any correspondence relating to the attitude of Canada in the event of an outbreak of hostilities between his majesty and any other power. Obviously correspondence which would deal with such a matter would include references to many phases of the question, a part of which would certainly be likely to occasion many difficulties, if such correspondence were made public. The order will have to be denied.

Mr. HANSON (York-Sunbury): Is there correspondence, and are there other documents?

Mr. MACKENZIE KING: I cannot say. I would say to my hon. friend that I doubt very much whether it would be advisable for me to say either yes or no to that particular question.

CUSTOMS ACT—VALUES FOR DUTY UNDER SECTION 43

Mr. McGREGOR:

For a copy of all orders in council passed since October 23, 1935, authorizing the Minister of National Revenue to fix values for duty under Section 43 of the Customs Act, together with any orders made by the Minister of National Revenue pursuant to such orders in council.

ST. LAWRENCE WATERWAYS

Mr. CASSELMAN (Grenville-Dundas):

For a copy of all correspondence exchanged between the government of Canada and province of Ontario or between any officials of the said governments from January 1, 1938, up to this present date in connection with the St. Lawrence waterways.

For a copy of all correspondence exchanged between the government of Canada and that of the United States or between any officials of said governments either through the departments or commissioners from January 1, 1938, up to this present date, in connection with the St. Lawrence waterways.

Mr. MACKENZIE KING: The first motion refers more particularly to correspondence between the province of Ontario and the dominion government with respect to the St. Lawrence waterway since January 1, 1938. The next motion is almost identical except that it refers to correspondence between the United States government and the government of Canada with respect to St. Lawrence waterway. Perhaps I should say that such discussions as there have been on this matter thus far have been largely provisional. The discussions are not concluded. Such part of the transactions as have been concluded have been recorded and the records in reference thereto have already been tabled. Such discussion as has taken place has been oral in the nature of conferences and there is no further correspondence that it would be possible to table at this time.

Mr. HOMUTH: Is there no definite agreement yet?

Mr. MACKENZIE KING: The papers I tabled a day or two ago indicate the nature of the agreement that has been reached.

Mr. HANSON (York-Sunbury): And that is the only agreement up to date?

Mr. MACKENZIE KING: Yes.

DIPLOMATIC PRIVILEGES OR IMMUNITIES

Mr. COLDWELL:

For a return showing the names, addresses and nationalities of all persons or representatives of foreign states and powers who enjoy diplomatic privileges or immunities in Canada at the present time.

Mr. MACKENZIE KING: Return tabled.

GOVERNOR GENERAL'S WARRANTS

Mr. CASSELMAN (Grenville-Dundas):

For a copy of all orders in council authorizing issuance of governor general's warrants since August 1, 1939, together with a statement showing the amount expended under each warrant issued.

[Mr. McGregor.]

DOLLAR-A-YEAR MEN ON GOVERNMENT WORK

Mr. ROSS (St. Paul's):

For a return showing: (a) the names of all persons who are or have at any time been engaged in government work as so-called "dollar-a-year men"; (b) the nature of the duties performed by each such person; (c) the ordinary peace-time occupation of each such person; (d) the amount of travelling expenses and living allowances paid to each such person from the date of their appointment until the present, and the daily rate of such allowances.

PRAIRIE FARM ASSISTANCE ACT—ACREAGE BONUS IN TOWNSHIP 39, RANGE 16, WEST OF FOURTH MERIDIAN

Mr. MARSHALL:

For a copy of all letters, telegrams, affidavits and other documents in the possession of the government, dated from November 1, 1939, to October 31, 1940, regarding the application for the acreage bonus in township 39, range 16, W. 4th M.

Mr. GARDINER: It was agreed by the house last session that it would not be wise to produce affidavits made by individuals in connection with the Prairie Farm Assistance Act. I would suggest that the order be amended to leave out the word "affidavits".

COMMONWEALTH AIR TRAINING PLAN—ELEMENTARY FLYING SCHOOLS

Mr. MacINNIS:

For a copy of the contract or contracts entered into by the Department of National Defence for Air, or any other department, with any private concern or association relative to the training in and the control and operation of the elementary flying schools established under the empire air training plan.

Mr. POWER: Return tabled.

MILITARY TRAINING OF UNIVERSITY STUDENTS

Mr. COLDWELL:

For a copy of all correspondence, reports, memoranda and other documents exchanged between the government or any of its departments and the universities, regarding an agreement respecting military training of university students.

RELEASE OF INTERNED ALIENS

Mr. BOUCHER:

For a return showing the number of persons in each of the following categories: Germans, Italians, Communists, National Unity Party, who have been released from internment since July 27, 1940.

Mr. LAPOINTE (Quebec East): Mr. Speaker, I would like this motion to stand. Last year the parliamentary committee reported

that among other requirements the Minister of Justice should make a report to parliament as to (a) the number of persons detained under orders made pursuant to this regulation; and (b) the number of cases, if any, in which the minister declined to follow the advice of any advisory committee which may be appointed under the next parliamentary regulation. This has been done. This motion asks for other information as to the classification of the various internees with regard to their race, political opinions and similar matters. I should like to consult with my advisers as to whether it is in the public interest to give or withhold this information.

I may also say that it is the intention to reappoint at this session the parliamentary committee which sat on the defence of Canada regulations, and to consider whether some changes are advisable. That committee might be asked to pass upon the advisability of having a more complete report. I should, however, like to consider this motion before it is passed.

Mr. HANSON (York-Sunbury): I point out that this motion does not ask for names, it asks only for numbers. It seems to me it would be illogical to give the numbers of those interned in the various categories and refuse to give the numbers let out.

Mr. LAPOINTE (Quebec East): But it asks for racial classification and whether they are communists or members of the Arcand party and matters of that kind.

Motion stands.

CAP-DE-LA-MADELEINE ELEMENTARY FLYING SCHOOL

Mr. ROY:

For a copy of contract or contracts between the Department of National Defence for Air and Quebec Airways Training Limited for construction of an elementary flying school at Cap-de-la-Madeleine.

Mr. POWER: Return tabled.

DAYLIGHT SAVING TIME—EXTENSION

Mr. STOKES:

For a copy of all orders in council relating to the extension of daylight saving time, together with any regulations made thereunder by the power controller; and for a copy of all letters, memoranda, and other documents, since August 1, 1940 to date, passing between the power controller and/or the chairman or secretary of the wartime industries control board and any member or official of the dominion government or any member or official of a provincial government or of a provincial hydro-electric system, relating to the extension of daylight saving time.

PRAIRIE FARM ASSISTANCE

INQUIRY AS TO DECLARING 1940-41 AN EMERGENCY YEAR

On the orders of the day:

Mr. J. G. ROSS (Moose Jaw): I should like to ask a question of the Minister of Agriculture (Mr. Gardiner). Has the government yet considered the advisability of bringing into effect section 3 of the Prairie Farm Assistance Act, 1940, by declaring 1940 an emergency year?

Hon. J. G. GARDINER (Minister of Agriculture): The government have decided to declare the year 1940-41 an emergency year as provided for under the Prairie Farm Assistance Act.

Mr. PERLEY: Pursuant to the minister's statement that this will be declared an emergency year, will he state that the payments provided for in this act will be made in December instead of some time next year?

Mr. GARDINER: The payments under the act will be made in accordance with the terms of the act.

Mr. PERLEY: That is good news; it never has been so in the past.

Mr. MacKENZIE (Lambton-Kent): In view of the fact that the western provinces grew 550,000,000 bushels of wheat last year, just what constitutes an emergency year?

LABOUR DISPUTE

CHRYSLER PLANT AT WINDSOR—EFFECT UPON PICKETING OF DECLARING PREMISES A PROTECTED AREA

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): Is the Minister of Labour (Mr. McLarty) now in a position to reply to the question I asked last Thursday with regard to the application of the defence of Canada regulations to people picketing in protected areas?

Hon. N. A. McLARTY (Minister of Labour): The hon. member was kind enough to notify me of his intention of asking this question.

It is primarily, of course, a matter of legal interpretation, and is at present before the courts. I understand a decision was given in connection with it yesterday in Windsor, but I have not been advised as to the basis of the decision or the reasons for it. Until that information is available and until I have had

the advantage of an opinion from the Department of Justice, I believe it would be most inadvisable for me to express any opinion.

Mr. M. J. COLDWELL (Rosetown-Biggar): May I ask a supplementary question? Did the government intend or contemplate that this regulation should be or could be used to prevent peaceful picketing by organized labour?

Right Hon. ERNEST LAPOINTE (Minister of Justice): From section 27 of the defence of Canada regulations I should like to quote these words:

> Provided that a person shall not be guilty of an offence under this regulation by reason only of his taking part in, or peacefully persuading any other person to take part in, a strike.

I cannot say more than that, because I really do not know the facts with regard to this case.

DEFENCE OF CANADA REGULATIONS

REFERENCE TO ARTICLE IN "CANADIAN BUSINESS" ADVOCATING THE ADOPTION OF COMMUNISM

On the orders of the day:

Mr. NORMAN JAQUES (Wetaskiwin): May I ask the Minister of Justice (Mr. Lapointe) if he is in a position now to answer the question I asked yesterday?

Right Hon. ERNEST LAPOINTE (Minister of Justice): Yes, Mr. Speaker. The article referred to appeared in the magazine of the Canadian Chamber of Commerce. That article has been considered, and it does not appear to advocate the adoption of communism in Canada. The answers to the second and third questions are in the negative.

WHEAT

ADDITIONAL PAYMENT TO WESTERN FARMERS ON 1939 CROP CERTIFICATES

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): On Thursday last the Minister of Trade and Commerce (Mr. MacKinnon) stated that the wheat growers of Ontario would receive an added payment on the 1939 wheat certificates. Would the minister tell the house when the western wheat growers may expect an added payment on their 1939 crop certificates?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I think the only reply I can give at the present time is, when there is money available for distribution.

[Mr. McLarty.]

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Tuesday, November 19, consideration of the motion of Mr. Brooke Claxton for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Hanson (York-Sunbury) and the amendment to the amendment of Mr. Blackmore.

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, in attempting to prepare a statement that will convey to hon. members an appreciation of the work of the Department of Munitions and Supply, my difficulty is to determine what can be said and what cannot be said. My desire is, of course, to give hon. members the fullest possible account of what is being manufactured and the position of each separate project. We must appreciate, however, that anything said here will represent an official report to enemy countries, and for that reason definite production statements are unwise. A recent cable from the dominions office in Great Britain stresses the importance of carefully guarding production figures for munitions and aeroplanes. With this handicap, all that I can hope to do is to give hon. members a general idea of the work in hand, the methods being followed and the barest possible outline of the state of production.

The general broad plan or plans guiding the operations of the Department of Munitions and Supply is set forth in the Munitions and Supply Act and, with the addition of certain amendments of last year, I am happy to say that the plans and policies therein outlined have proved to be adequate to meet the situation as it has developed.

We have been most fortunate in the type of business men and technical experts who now direct the different branches of the department. Our staff is necessarily large, and the work with which it is engaged is highly technical. I think it is amazing that so competent a personnel could have been built up in so short a time. As weak spots develop we endeavour to find the person to strengthen the particular department, and we are always glad of offers of assistance.

For the past year we in Canada have been converting as rapidly as possible our peacetime economy into an economy of war. We have been striving to direct the total resources of the nation into channels which will enable us to accomplish this objective, and we have striven and are striving to divert an ever-increasing proportion of our production into

channels which will promote a war-time economy. We are gradually attempting to divert goods from civil to military uses.

It must be clear to all hon. members that before a plant can be built you must have plans, and these must be carefully drawn. Some time has been necessarily consumed in the obtaining of these plans. The construction period follows, and I am glad to say that we are gradually emerging from that construction period. We have actually some new plants now in production and many more will be in production within the next two or three months.

The problem of obtaining trained personnel to operate these plants is and has been giving us a good deal of concern. Our technical schools in all parts of Canada are giving special courses adapted to the needs of a variety of industries and have proven one of our main sources of recruits for skilled trades. Production teams have been sent to the United Kingdom to study operating technique, while others have been sent to the United States for the same purpose. Continuous studies are being made of the supply of skilled and unskilled labour in all parts of Canada to the end that the movement of labour may be localized as much as possible. The entry of women into certain types of munitions industries is expanding, and it has been found that in operations where deftness rather than strength is required women are often more efficient than men. As time goes on there must necessarily be a movement of employment from luxury or semi-luxury industries to war industries. The Canadian workman readily adapts himself to new types of employment, and we are confident that the plants we are building can and will be adequately manned even though the work in hand is of an entirely new type.

The matter of employment and the relationship between employer and employee has been under constant study by the officers of this department and the Department of Labour. Indeed, as a result of such study the Department of Labour has recently created the interdepartmental committee on labour coordination, and as a further step a war-time requirements board has been set up to formulate such plan or plans as may be necessary to ensure that war needs in the order of their importance shall have priority over all other needs.

Mr. HANSON (York-Sunbury): Is that the board of which Mr. MacMillan is chairman?

Mr. HOWE: Yes. It has been the purpose of the department to mobilize industry from maximum production of war materials. When munitions plants now under construction or being tooled up reach full production, it is my opinion that our productive capacity will have been tested to its practical limit. We are still undertaking new projects, but the location of such projects must now be confined to selected areas that still offer surplus power and labour possibilities. Large concentrations of employment in new projects are no longer possible.

Having in mind the limitations that must be imposed on production figures, it may be worth while to give hon. members a brief general view of the industrial situation in Canada, before discussing particular production programmes.

1. General review. In the last statement which I made in this house with respect to Canada's war effort, toward the close of the last session, I explained that the nature of our problems was changing. I pointed out that, in the first period of the war, the United Kingdom appeared to believe that she would be in a position largely to depend on her own munitions industry. The successive overrunning of Denmark, Norway, Holland, and Belgium, and the collapse of France changed the entire situation. Britain was now left alone in Europe and besieged. All her production was immediately necessary at home. The earlier plans for our joint effort, therefore, had to be revised. Where originally these plans called for special equipment to be supplied to Canada from Great Britain, now alternative sources had to be found in Canada and the United States. Britain's need for supplies from overseas jumped, and Canada was requested to go full speed ahead.

The work which had already been done in Canada greatly facilitated the placing of new orders, and the rapid increase of production. Contracts were awarded with increasing speed. In the first quarter of this year, the number of contracts averaged approximately 1,910 per month; in the second quarter, approximately 4,070 per month; and, in the third quarter, nearly 7,500 per month. During the month of September, contracts were awarded at the average rate of 325 per working day, as compared with 170 per working day in June. As of November 11, the total of orders placed for Canadian account totalled 540 million dollars, and for British account a total of 309 million dollars. Thus, the grand total of orders placed by the Department of Munitions and Supply has reached 849 million dollars. We were not engaged, however, merely in awarding contracts. As a result of the contracts awarded, the tempo of Canadian industry has risen to record heights.

The following comparison of economic indicators, for the month of September, 1940, as compared with September, 1939, is a measure of the increased industrial activity of Canada, resulting directly or indirectly from war orders and of the output of our factories for war purposes:

Indices of Economic Activity
(1926 = 100)

	September, 1939	September, 1940	Percent increase
Physical volume of business	125·8	155·4	24
Industrial production	128·3	167·0	30
Manufacturing production	121·3	159·7	32
Iron and steel production	98·2	242·9	148
Textile production	150·0	182·9	22
Construction	48·6	127·0	161

The increased economic activity is measured further by the following statistics:

Volume of Output

	September, 1939	September, 1940	Per cent increase
Pig iron production ..... tons	65,954	111,020	84
Steel ingots and castings ..... tons	124,384	164,400	32
British Columbia timber ..... board feet	229,000,000	339,000,000	49
Cars and trucks	3,922	15,475	294

Construction contracts for the nine months ending September 30, 1940, amounted to $195,490,000, as compared with $150,781,000 for the corresponding period of 1939—an increase of 30 per cent.

Mr. HOMUTH: Does that include all construction contracts?

Mr. HOWE: Yes.

Mr. HOMUTH: Air, and all?

Mr. HOWE: Yes. The month of September, 1940, alone showed an increase in construction contracts of 161 per cent over September, 1939.

The acceleration of the air training, militia and other construction programmes incident to our war efforts necessitated the absorption, for war purposes, of a substantial proportion of Canada's construction capacity—equal to about 60 per cent of the capacity used for all purposes in 1938.

Another measure of our war effort, apart from the enormous increase in production of implements of war, is the increase in the exports of Canadian products, particularly to the United Kingdom. Consisting as they do of foods, raw materials and manufactured goods, these exports to Great Britain are an indication of our increasing contributions to the war effort overseas. The aggregate value of exports to the United Kingdom for the nine months ending September, 1940, was $380,817,000, as compared with $242,725,000 in the first nine months of 1939. This shows a very gratifying increase of 56 per cent.

2. The war programme. I now want to turn from the general picture to the more specific features of our war programme, and to present to this house a report on the progress of our programme of expansion of industrial facilities, and production of munitions and war supplies. A great variety of items which we have asked Canadian industry to produce have never before been produced in Canada. Added to the problem of organizing existing productive capacity for maximum output, has been that of constructing and tooling up the plants to produce the diversified equipment of modern warfare, and the bringing of these new plants into production in the shortest possible time.

In so far as possible, it has been the policy of the government to rely upon existing plants for securing adequate supplies of munitions and their components. In many cases, however, the necessary plants did not exist, or, if they existed, their capacities were inadequate, and extensions of existing plants, or the construction of wholly new plants, has been necessary. The policy of the government, in giving financial assistance to expand existing plants, or to build new plants, has been based on the fact that the government is itself the sole purchaser of the production from these plants and, therefore, would itself pay any sums set aside as depreciation in the war period. We have, therefore, in cases where facilities cannot be financed privately, adopted the policy that new construction, or expansion of manufacturing equipment, should be paid for by the government, and ownership retained by the government. In the case of new buildings, we have required that the land be deeded to the government, or leased to the government on satisfactory terms. Where machinery has been placed in an existing building, the machines have been stamped as the property of the government, so that government property can be recovered when its usefulness ceases for the production of munitions.

I should qualify the foregoing statement by saying that circumstances do not always permit us to follow the pattern I have described. We have on occasion found it necessary to expand plants along lines which

do not permit the segregation of private property and government property. In such cases it has been our practice to place the operation of the plant in the hands of trustees, whose duty it is to protect the respective interests of private and public investment. Great care has been taken to see that every investment of public funds in plant expansion has been safeguarded as fully as possible, with the purpose that, at the end of the war, public investment will be represented by physical assets that can be segregated and disposed of as may then seem wise. Incidentally, the course we have followed will make it possible immediately to withdraw from industry plants built at public expense, and thus prevent disorganization when purchases must be contracted down to peace-time needs.

The locations of new plants have been chosen for strategic reasons, and with due regard to the availability of raw materials, power and labour.

Mr. GREEN: At this point could the minister tell us roughly the number of plants in each of the geographical divisions of Canada —in the maritimes, central Canada, the prairies and British Columbia—or can he tell us the amounts to be invested in these areas?

Mr. HOWE: I was prepared to give the house that information and I am just coming to that point.

In all, our programme of capital assistance covers 146 projects, aggregating about $255,000,000, with title to the projects vested in the crown. A substantial number of these plants have already been completed and are in production, and work on the remainder is being rushed to completion.

The before-mentioned projects have been financed jointly by Britain and Canada, roughly in proportion to the division of the production. The Canadian proportion of the total is a little over 30 per cent. In these plants, Canadian industry is producing all the chemicals that are used in the manufacture of explosives, and is producing or will be producing some chemicals which have hitherto not been produced in the British empire; it is producing or will be producing almost every type of shell in use in the present war; it is producing or will be producing field guns and gun carriages, naval guns, aircraft and tank machine guns, anti-tank guns, tanks, universal carriers, mechanized transport, training and fighting aeroplanes, and practically all other items of essential equipment to meet the needs of modern mechanized warfare.

Included in the list of new projects are two plants for the manufacture of brass required for the munitions programme, the aggregate capacity of which is more than five times the previously existing capacity in Canada.

Hon. members have shown an interest in the distribution of war orders by provinces, and I am glad to give such information as I can on this, even though I consider that the matter of distribution is secondary to that of obtaining efficient production. It must be borne in mind that hydro-electric power is an essential of low cost production, and that large blocks of surplus power are obtainable only in the provinces of Quebec and Ontario. This fact has had much to do with the location of new plants in these two provinces. Studies have been made of the possibilities of every province, and in every case, lack of power has been the obstacle to establishing large industries outside the areas I have mentioned. We have attempted to distribute our orders as widely as possible, and distribution charts are laid on my desk each month with the purpose of ensuring that a reasonable balance is maintained.

I have here a chart which I shall ask to have printed in *Hansard*, covering the war period up to September 30 last, which shows the distribution of the orders placed by the Department of Munitions and Supply for Canadian account only, divided by provinces. I should point out that the chart does not include British purchases of munitions, aluminum, aeroplanes, steel, steel alloys, lumber, including pit props, aeroplane spruce and dimension timber, and does not include foodstuffs for Britain. The figures I give do not include expenditures made directly through the service departments, including projects built by day labour. Therefore the figures do not represent in any way the full incidence of war-buying in different parts of Canada, but merely show how orders for Canadian account placed by the Department of Munitions and Supply are distributed.

Three sets of figures are given: first, the dollar value of purchases; second, purchases per unit of population; and, third, purchases per $1,000 invested in manufacturing facilities prior to the war.

By investment in manufacturing facilities I mean the value of the factories as compiled by the bureau of statistics. I should say also that the figures do not include sums spent in capital assistance for the building of new plants or expansion of existing plants.

I think it will be of more service to hon. members if I ask to have this chart printed in *Hansard* rather than attempt to read it in the house:

Department of Munitions and Supply
Division of Economics and Statistics

(Condensed statement)

Total contracts awarded July 14, 1939, to September 30, 1940
On Canadian account
Classified by country or province in which placed

Showing dollar value of purchases, the population of each province and the capital invested in manufacturing industries, the purchases per capita and per $1,000 of capital thus invested.

(a) Country or province	(b) Dollar value of purchases	(c) Population estimate 000 omitted	(d) Dollars invested in manufacturing facilities 000 omitted	(e) Purchases per capita	(f) Purchases per $1,000 invested in manufacturing facilities
Prince Edward Island ...	$ 1,764,150	95	$ 2,652	$18 57	$665 21
Nova Scotia	7,445,561	554	91,393	13 44	81 47
New Brunswick	6,563,946	451	81,965	14 55	80 08
Quebec	122,307,066	3,210	1,146,235	38 10	106 70
Ontario	182,121,754	3,752	1,676,896	48 54	108 61
Manitoba	10,686,375	727	114,367	14 70	93 44
Saskatchewan	8,437,581	949	38,364	8 89	219 93
Alberta	8,187,256	789	69,192	10 38	118 33
British Columbia	23,467,826	774	264,615 (w)	30 32	88 69
Several provinces (x) ..	12,960,000	11,315	3,485,683	1 15	3 72
Canada	$383,941,515	11,315	$3,485,683	$33 93	$110 15
United Kingdom (y) ...	31,433,929				
United States (z)	19,154,754				
Grand total	$434,530,198	11,315		$38 40	

(b) Includes materials and contracts for the British Commonwealth Air Training Plan, Civil Aviation Division, Department of Transport.
(c) See Canada Year Book 1940, page 103, estimate for 1939.
(d) See Canada Year Book 1940, page 399, estimate for 1938.
(e) Computed by dividing (c) into (b).
(f) Computed by dividing (d) into (b) multiplied by 1,000.
(w) Includes Yukon.
(x) Amounts not definitely allocated.
(y) Requisitions to the Admiralty, the War Office and the Air Ministry, England.
(z) Contracts placed directly with manufacturers and contractors in the United States.

Under the heading of construction, let me refer now to the joint air training plan.

My colleague the Minister of National Defence for Air (Mr. Power) has outlined to you the scope of the construction projects associated with the air training plan. Excellent progress has been made in constructing the 100 separate aerodromes required for this plan. While the schedule called for a two-year construction programme, the end of this year will see the whole programme about seven-eighths completed. All airports will have been completed well in advance of the date of opening of the air school, on the accelerated schedule. During the year these airports have been selected, surveyed and built. Practically every unit of dirt-moving equipment, and every asphalt plant, in Canada has been in use throughout the past season. Two hundred sites were reported on, and 150 detailed surveys made, before the 100 airports could be selected. Twenty million yards of earth have been moved; about 170 miles of hard-surfaced runways have been completed, which, if converted into a roadway twenty feet wide, would be 850 miles in length, equivalent to the distance from Moncton to Toronto.

Buildings have been built for the students and personnel, hangars have been constructed, and all the appurtenances to the schools have been provided. To date 36 schools have been completed and are in operation, and buildings for the entire programme will have been completed by next midsummmer.

In addition to the joint air training plan, 37 Royal Canadian Air Force permanent stations have been under construction, 18 of which have now been completed. All these service aerodromes and permanent stations will be completed by the end of March next.

Of the 51 militia projects undertaken, including coast defence batteries, arsenals, magazines, military training centres, conversion of buildings, storehouses and temporary accommodation, 29 have been completed. The remainder, it is expected will be completed by March 31 next. This does not include 29 projects undertaken by the Department of National Defence

by day labour, the material for which was purchased by the Department of Munitions and Supply.

Of the 21 naval projects undertaken, including anti-submarine booms, torpedo nets, blocking of channel, barrack buildings, boathouses, storehouses, magazines and fire alarm systems, 15 have been completed, and the remainder will be completed by June, 1941.

Under the heading of other projects, our construction division is also supervising 11 projects involving plant extensions for the manufacture of arms and ammunition, and new plants for the manufacture and repair of aircraft, precision and optical instruments.

The aggregate value of the aforementioned construction programme is approximately $89,000,000.

This does not include projects under the supervision of Allied War Supplies Corporation, nor does it include the plants extended by many private companies under subvention from the government.

With regard to aircraft production, our aircraft industry is expanding rapidly and is producing planes to meet the requirements of the joint air training plan, and is also building operational aeroplanes for Great Britain and Canada. The output of planes is expanding each week in this new Canadian industry. Existing plants have been extended and new plants have been, and are being, constructed. The industry is in process of being reorganized on a production line basis. Canada is now building complete aeroplanes except for the engines, and, for the present, engines are being purchased either in the United States or in Great Britain. Production covers practically every type of training plane in use in Canada and several types of operational planes.

Hon. members will wish to have an explanation of why Canada has not as yet undertaken the manufacture of aeroplane engines. I must accept sole responsibility for the situation as it is to-day. I think that I cannot fairly be accused of reluctance to undertake large expenditures for war purposes, but I do wish to be sure that any of our undertakings can be brought to a successful conclusion and meet the need for which it is intended. The manufacture of areoplane engines involves an enormous capital expenditure, a very heavy drain on available supplies of machine tools, and a very large number of highly skilled workmen. Production cannot be obtained in less than a period of eighteen months, and, when production is obtained, it will be for only one size and type of engine, whereas Canada uses some ten sizes of engine and two different types. It had seemed to me that in the present state of our industrial production we would be well advised to purchase aeroplane engines outside Canada, rather than to attempt to build them. I am now making a fresh study of the situation in the light of recent developments in the United States. My new attitude has been influenced by the fact that Canada is now in position to produce certain essential components that formerly would have had to be imported, and further by the fact that our machine tool situation is becoming less difficult. Whether we can now undertake to build aeroplane engines in Canada will depend on whether the necessary machine tools can be made available from United States sources.

With regard to shipbuilding, I am glad to report that our programme is well ahead of schedule. You will recall that in my last report to the house the shipbuilding programme involved the construction of 54 corvettes on Canadian account and 10 corvettes on British account, and 28 minesweepers on Canadian account, all to be delivered in 1940 and 1941. All scheduled deliveries for 1940 will be maintained, and work on boats scheduled for delivery in 1941 is well advanced.

Since I last addressed the house, contracts for 10 additional mine sweepers, diesel driven, have been awarded for delivery in 1941. In addition to the above, 181 smaller vessels of various types have been delivered, including refuelling gasoline scows, aircraft tenders, bomb-loading tenders, salvage boats, scows and supply boats. In addition, we have acquired and converted a number of merchant ships, yachts and miscellaneous boats. I may remind the house that one of these converted vessels recently took a very valuable enemy prize.

We have recently completed negotiations for the construction in Canada of 18 large merchant vessels for British government account, and contracts are in process of being awarded. These boats will be built in our larger shipyards on the St. Lawrence river and Pacific coast.

An additional programme of corvettes and mine sweepers is under consideration.

Sixteen shipyards on the east and west coasts, the St. Lawrence river and great lakes, are engaged in our larger shipbuilding programme, and 25 smaller shipyards are working on the small boat programme. It is estimated that some 14,000 men are empolyed in shipyards and industries associated with the shipbuilding programme.

To deal now with automobile equipment, the mechanization of modern military establishments and the movement of troops and equipment require large numbers of army

vehicles of many types. Canada is particularly fortunate in having a well organized and efficient automotive industry. Steps have been taken to tool up that industry for the production of the various types of automotive equipment necessary for mechanized warfare to a productive capacity of about 600 units per day. Some 30,000 military units have been delivered, and orders now on hand will keep the industry employed to capacity until the end of September, 1941.

My hon. friend the leader of the opposition (Mr. Hanson) stated that I said in Toronto that the industry was then producing 600 units per day of military equipment.

Mr. HANSON (York-Sunbury): I said, you were reported to have said.

Mr. HOWE: My notes indicate that I stated that the production was then about 400 units per day, which was true at that time. To-day production is considerably in excess of 400 units per day, although it has not fully reached its ultimate capacity of 600 units per day.

Reports from Great Britain indicate that Canadian transport equipment is superior to production from any source of supply.

The automotive equipment required for military purposes has involved the construction of two types of special heavy service tires. Canadian industry is being tooled up to produce such tires at the rate of 2,000 tires and tubes per day.

Tanks and Universal Carriers

As to tanks and universal carriers, production of tanks is well advanced and we expect to be in substantial production early in the new year. A Canadian source of armour plate has been developed and we will now produce all the components of the tank except the engines. Arrangements have been made to go into production on the new Anglo-American tank in a very substantial way.

We have also arranged for a very substantial production of universal carriers, and deliveries will begin before the end of the present month. These will be an all-Canadian product.

Munitions

Coming now to munitions, eight plants are actually producing shells, and nineteen are producing shell components. Thirteen other plants are being tooled up for the production of shells and five plants for the production of components. The present producing plants are also being tooled up for increased capacity. Shells now being produced in Canada include the following sizes:

40 millimetre
18-pounder
25-pounder
3·7-inch
4·5 howitzer
4·5 quick-firing
4·5-inch 60-pounder
4-inch
6-inch howitzer
9·2-inch

The results of this tooling up will be to increase the productive capacity to a rate of at least 2,000,000 shells per month.

Canada has not engaged in the manufacture of munitions since the last war, and, therefore, did not have readily available the necessary machine tools or equipment for the production of shells and ammunition, except that produced at dominion arsenals. It has been necessary to provide and tool up the manufacturing capacity that we now have. As the machine tool capacity of Canada is limited, it has been necessary to order large quantities of machine tools in the United States, most of which had to be manufactured.

A round of ammunition includes all the component parts which make up the final product, including shell, cartridge, fuse, base plates, primers, gaines, tracers, driving band, and other components, each of which requires special plant and equipment, as well as skilled labour, for its production.

The first of three shell-filling plants will be in operation before the end of this month, at which time all shell components and the explosives will be available from Canadian manufacture. Canadian shell filling capacity will balance Canadian production of shells.

Plants are also being equipped for the production of aerial bombs, depth charges, smoke floats and pyrotechnics.

In considering the present Canadian programme in the manufacture of guns, it is well to bear in mind that Canada has in the past never manufactured a gun of any type other than the Ross rifle. Prior to the outbreak of war, contracts had been awarded for the Bren gun, 7,000 on Canadian account and 5,000 on British account. Actual production on that contract started last April and substantial quantities of guns and extra barrel assemblies have been delivered. Arrangements have been made to increase the production of Bren guns very largely, and added production is coming in each week.

No other guns are actually being produced as yet, although 40 millimeter Bofors loose barrels are in production. Arrangements have

been made for the manufacture of guns and gun carriages in Canada, on Canadian account and British account, of the following types:

40 mm. Bofors anti-aircraft guns
3·7-inch anti-aircraft guns
25-pounder guns and carriages
Colt-Browning aircraft machine guns
Colt-Browning tank machine guns
6-pounder guns for tanks
2-pounder anti-tank guns and carriages
4-inch guns and mountings
12-pounder guns and mountings
4-inch naval guns
6-inch naval guns
Lee-Enfield rifles

Further arrangements have been made for additional types of naval guns and mountings. The result is that Canada will shortly be making practically every type of gun in use in the present war.

The leader of the opposition has asked the question—why Canada is not producing Lewis guns. The answer is that we are producing Colt-Browning machine guns, which are the equivalent of the Lewis gun and considered preferable for modern warfare.

This programme for the manufacture of guns has involved plant construction and rearrangement on a very large scale, and the provision of large quantities of special machine tools, many of which have had to be purchased in the United States. Our gun programme is well advanced, and very substantial production will be obtained by April of next year. Our infant industry is a very healthy child.

Modern warfare requires a great variety of chemicals and explosives not ordinarily required for peace-time uses, or required only in small quantities. These chemicals and explosives are essential raw materials for any munitions programme.

As indicated in my last statement to this house, Canada is undertaking a large explosive and chemical programme, on both British and Canadian account. Fifteen of such projects are under way, each of which to a greater or less degree has required the design and construction of entirely new plants, or the expansion in some cases of already existing plants. One of such plants designed for the production of explosives has already been put in operation, and the remainder are progressing satisfactorily and are scheduled to be in operation by April, 1941.

Arrangements are being made for a further expansion of Canada's productive capacity for explosives and shell filling, so as to synchronize productive capacity for explosives with the capacity for the production of shells of various types, and in addition to provide a surplus of explosives for shipment to Great Britain.

Raw materials for the manufacture of explosives include ammonia, ammonium nitrate, toluol, carbamite, solvents, acetone, picrite, hexachlorethane, activated carbon, phosphorus, chlorates and perchlorates and monoethylaniline.

The chemical and explosives projects are all being supervised by Allied War Supplies Corporation, which is a wholly-owned government company.

Speaking of the explosives programme, I should perhaps say a word about the unfortunate explosion which occurred at our first explosives plant a night or two ago. Unfortunately three lives were lost in the explosion. In view of the fact that explosions in munitions plants are almost inevitable from time to time, it seems to me that the employees in plants of that type deserve the same kind of recognition as is given to armed forces in the combat area. I should like to express the sympathy of the government to the relatives of the three men who were killed and to express the hope that these unfortunate explosions can be kept to the minimum throughout the production period.

Deliveries of clothing and personal equipment are now ample to meet the needs of the Canadian armed forces. Since it is still being suggested that there is lack of such equipment, I will, with the permission of the house, place on *Hansard* a list showing deliveries of principal items that we have been called upon to supply. I doubt if anyone who reads this list will be further concerned about shortages of clothing.

Purchases and Deliveries of Clothing and Personal Equipment

Commodity Militia—	Unit	Quantity ordered	Quantity delivered	Balance
Battle dress blouses		547,500	457,176	110,324
Battle dress trousers	prs.	552,500	440,034	112,466
Blankets	prs.	1,241,365	865,605	375,760
Belts, waist, leather		144,300	114,937	29,363
Braces	prs.	428,100	312,780	115,320
Boots, ankle	prs.	923,300	653,248	270,052
Caps, F.S		469,840	384,782	85,058
Caps, comforter		300,000	198,334	101,666
Caps, winter		286,000	104,032	181,968
Coats, great, drab		411,000	241,349	169,651
Gloves, gauntlets	prs.	5,000	5,000	nil
Gloves, woollen	prs.	310,000	211,404	98,596
Holdalls		342,000	204,050	137,950
Housewives		455,000	273,161	181,839
Jackets, khaki drill		511,870	181,246	330,624

Purchases and Deliveries of Clothing and Personal Equipment—*Concluded*

Commodity	Unit	Quantity ordered	Quantity delivered	Balance
Militia—*Con.*				
Jackets, sweater		361,000	293,652	67,348
Kit bags		369,500	229,667	139,833
Mitts, leather	prs.	210,000	154,491	55,509
Mitts, woollen	prs.	39,140	35,348	3,792
Overalls, blouses		230,000	206,106	23,894
Overalls, trousers	prs.	260,000	228,552	31,448
Overshoes	prs.	227,000	40,775	186,225
Rubbers	prs.	89,000	36,400	52,600
Shirts, cotton, khaki		246,000	218,463	27,537
Shirts, flannel		1,120,900	490,367	630,533
Shirts, service		343,000	339,405	3,595
Socks	prs.	1,805,120	1,239,875	565,245
Trousers, khaki drill short and long	prs.	608,500	183,424	425,076
Trousers, service	prs.	190,998	144,800	46,198
Underwear shirts, cotton		327,500	327,500	nil
Underwear drawers, cotton	prs.	327,500	327,500	nil
Underwear shirts, woollen		783,600	658,114	125,486
Underwear drawers, woollen	prs.	783,600	652,143	131,456
Royal Canadian Air Force—				
Blankets	prs.	224,381	170,298	54,083
Boots, ankle, leather	prs.	116,500	109,319	7,181
Braces	prs.	110,000	110,000	nil
Caps, blue, F.S		119,000	91,599	27,401
Caps, winter		87,000	65,000	22,000
Caps, comforter		115,000	102,500	12,500
Coats, great, warm		79,000	76,779	2,221
Gloves, black, leather	prs.	154,000	99,640	54,360
Jackets, serge, blue		121,000	98,400	22,600
Jackets, sweater		125,000	119,858	5,142
Kit bags		60,000	60,000	nil
Mitts, winter	prs.	79,000	61,391	17,609
Overalls, combinations	prs.	121,000	62,090	58,910
Shirts, flannel, S.G		203,000	149,118	53,882
Collars, flannel, S.G		609,000	452,097	156,903
Shirts, service		200,000	166,944	33,056
Trousers, khaki drill	prs.	75,000	2,566	72,434
Trousers, serge blue	prs.	119,000	119,000	nil
Trousers, service	prs.	230,000	204,891	25,109
Underwear, combinations, summer	prs.	44,000	44,000	nil
Underwear, shirts, woollen		238,000	235,254	2,746
Underwear, drawers, woollen	prs.	238,000	231,656	6,344
Naval Services—				
Bags, kit		16,100	9,882	6,218
Blankets, seaman's	prs.	32,425	20,623	11,802
Boots, sea, rubber	prs.	6,400	4,000	2,400
Boots, half	prs.	36,900	32,507	4,393
Caps, white, duck		14,000	14,000	nil
Caps, blue cloth		22,300	21,388	912
Caps, winter		12,700	8,000	4,700
Cases, attaché		16,600	11,800	4,800
Coats, duffel		2,725	1,419	1,306
Coats, sheepskin		3,490	465	3,025
Coats, waterproof		3,300	2,500	800
Drawers, woollen	prs.	35,300	30,100	5,200
Drawers, summer	prs.	24,400	15,000	9,400
Gloves, woollen, leather	prs.	11,692	10,642	1,050
Hammocks—slung and unslung		28,400	14,402	13,998
Jerseys		66,650	46,250	20,400
Jumpers, serge		30,300	12,317	17,983
Jumpers, duck		29,500	19,006	10,494
Mitts, leather	prs.	19,700	19,700	nil
Oilskin clothing—				
coats		14,700	10,800	3,900
jackets		8,650	6,250	2,400
trousers	prs.	8,650	6,250	2,400
sou'westers		8,650	6,250	2,400
Overalls, suits, blue	prs.	18,000	8,080	9,920
Overcoats, uniform		19,040	9,915	9,125
Rubbers, low	prs.	16,100	16,100	nil
Shirts, white		20,970	16,970	4,000
Shoes, black, leather	prs.	16,700	15,575	1,125
Socks, thick and thin	prs.	83,882	69,565	14,317
Shorts, drill—recreational	prs.	37,800	28,760	9,040
Stockings, thick	prs.	47,960	20,848	16,112
Trousers, duck	prs.	27,400	13,546	13,854
Trousers, serge	prs.	30,300	13,348	16,952
Vests, flannel		53,600	40,698	13,002
Vests, woollen		11,600	10,240	1,360

In the woollen industry there are 62 mills making military cloths and blankets on contracts received directly from the government. Present production on these orders is estimated at 60 per cent of the capacity of the woollen weaving industry.

In the cotton industry, there are 23 mills working on orders received directly from the suppliers, and orders received directly from the Canadian government and British government.

Khaki drills Nos. 1 and 3, which are the cloths that we order in the largest quantities, are taking about 80 per cent of the mills' production of this type.

Let us refer now to the government-owned companies. As you have been informed on previous occasions, various wholly-owned government companies have been incorporated, the shares of which are held by the Minister of Munitions and Supply. All of these companies are subject to treasury control, and the Auditor General of Canada is the auditor of each one.

The reasons for the formation of these companies were:

1. The opportunity it gave of getting men of known organizing, construction and production ability to assist us in our war effort.

2. The opportunity it gave of decentralizing, with all the attending advantages that accrue from decentralization in an operation such as this.

3. It has been proven that the corporate method of administration has been successful in the management of industries, and business men understand such administration.

There are eight of these companies. As an example, I might mention Allied War Supplies Corporation. This company has seventeen projects under its supervision and administration, with a total investment of $100,000,000, which will require 175,000 horse-power to operate, and has at this moment 13,684 men engaged either in construction or in operation. One of these projects is now in operation. The second one will be in operation in a few days. The president of this company, in his latest monthly report, informs me that he is building an organization which will carry out these projects with the greatest efficiency, and that every effort is being made to see that these projects come into operation with the utmost speed.

Mr. HANSON (York-Sunbury): Is that the one of which Mr. Crabtree is president?

Mr. HOWE: Yes.

Citadel Merchandising Company Limited has continued to anticipate and facilitate requirements for acquisition and production of machine tools urgently needed for the munitions and gun programme, and I believe that the various contractors who have come in contact with his company will agree that it has rendered valuable service to them. This company has supervised all orders placed by the Department of Munitions and Supply which require machine tools, machinery, and equipment of all descriptions for the production of war orders.

Mr. MacNICOL: I might interject that I have heard a good deal of complaint about that company interfering with present industries.

Mr. HOWE: The export of machine tools from the United States is under rigid control, and it is only by centring orders from private manufacturers on the war programme through that company and clearing the export licences with Washington that we have been able to prevent the entire industry from falling into chaos.

Mr. MacNICOL: I have reference to Canadian companies being interfered with.

Mr. HOWE: Well, that is a matter of opinion. We do think that that company has increased the Canadian production of tools very materially. It purchases, or supervises and finances the purchase of, machine tools. It procures export licences for equipment purchased in the United States, and performs engineering services for various plants, and as well, has been responsible for the procurement of machine tools for well over 125 projects. The company has purchased machinery and machine tools aggregating some $37,000,000.

We also have three manufacturing companies:

Research Enterprises Limited, which is a new industry in Canada. This company, with the assistance of the national research council, is to manufacture optical glass and a number of special precision instruments. The plant is in course of construction.

Federal Aircraft Limited, as the name suggests, will supervise the production of certain aircraft required for the joint air training plan.

Small Arms Limited, as the name implies, will be producing small arms. It might be of interest to comment that since the British have reviewed our small arms programme, they have asked us to increase this plant fourfold for their account.

Then there are the commodity companies: Plateau Company Limited, Melbourne Merchandising Limited, and Fairmont Company Limited.

By way of illustration, Fairmont Company Limited has purchased large stocks of rubber, under agreement with our rubber manufacturers and with the rubber controller of

the United Kingdom. It is essential that we preserve a stock of rubber in this country. Hon. members will appreciate that rubber is essential for modern mechanized transport, of which large quantities are required; the source of supply is several thousand miles from Canada, and the producing territory is in a part of the world that cannot be regarded as immune from enemy attack. I think it will be agreed that rubber can be classified as a strategic material. Other essential commodities, imported from countries in war areas, are being protected similarly.

These commodity companies operate on a self-sustaining basis, the cost of operating being added to the selling price of the product.

Speaking of the control of industry, one of the obligations imposed upon the Minister of Munitions and Supply is to examine into, organize, mobilize and conserve the resources of Canada contributory to munitions of war, and the sources of their supply; to explore, estimate and provide for the fulfilment of the needs, present and prospective, of the government and community in respect thereto; and to take steps to mobilize, conserve and coordinate all economic and industrial facilities in respect of munitions of war and supplies and defence projects.

To assist in the carrying out of these responsibilities six controllers have been appointed, as follows:

Timber—H. R. MacMillan
Steel—H. D. Scully
Oil—G. R. Cottrelle
Metals—G. C. Bateman
Machine Tools—T. Arnold
Power—H. J. Symington

These controllers are, in effect, general managers of the respective industries over which they exercise control. The powers which have been vested in them are set out in the respective orders in council under which they were appointed and are necessarily comprehensive in character. The principle of control of industry under war conditions is generally accepted as reasonable and necessary, and is actually in effect under the war-time prices and trade board as well as under the Department of Munitions and Supply.

I should like to advise the house what the various controllers who have been appointed have actually accomplished since their appointment.

The oil controller first of all addressed himself to the problem of ascertaining the exact position of the petroleum industry in Canada, with a view to assuring an adequate supply of petroleum products for military purposes, and also to determine the productive capacity of Canadian sources of supply, which are largely confined to the province of Alberta. In this latter connection I am pleased to say that the oil controller has succeeded in determining within reasonable limits the productive capacity of the known and proven oil resources in the Alberta district, and has made arrangements for the provision of storage capacity so as to permit of more economical production in the existing fields. The investigations made by the oil controller indicated that the requirements of the three prairie provinces could not be met by the productive capacity of the present producing field, and prorating of the available crude from this source became necessary.

The oil controller has issued two orders: the first designed to curtail the installation of additional service stations and gasoline pumps, so that material and labour would be available for other purposes, it being felt that those service stations and gasoline pumps in existence at the time the order was issued would be sufficient to meet normal requirements of the public, and that no further extension of such facilities would be justified.

The oil controller also deemed it expedient to prohibit the sale or distribution of oil for the fueling of boilers, furnaces or other oil-consuming equipment not so fuelled at the date of the second order. This order did not apply to users of four thousand gallons of oil or less per annum, and was made as part of a plan to conserve the resources of Canada for war purposes.

I am pleased to say that the oil controller has been in touch with the governments of most of the provinces, and will shortly make contact with those not already approached, and they have all expressed their willingness to cooperate to the fullest possible extent.

The metals controller's chief concern has been to prevent any shortage of metals and industrial minerals required in the war-time manufacturing programme. Amongst other things he has arranged, as metals controller, for the curtailment of the use of aluminum for domestic purposes, so as to release as large a proportion as possible of this essential metal for military purposes. In cooperation with the power controller an arrangement was speedily made, without difficulty or complaint, for the substitution of copper for aluminum conductors by hydro-electric power companies in Canada, thereby releasing a very substantial quantity of aluminum for war purposes.

The metals controller has also arranged for the supply of a number of essential metals and industrial minerals.

The duties of the timber controller have been to assist the British timber controller in securing supplies in Canada, and to organize and administer the Canadian timber trade to

meet war-time demands. The timber controller took steps to assist Great Britain in the purchase of aeroplane spruce, box shooks, pit props, birch logs and lumber. In meeting Canadian timber problems, the following principles were followed by the timber controller:

To secure the Canadian government's timber requirements, at lower cost wherever possible, and without increasing the general Canadian price level. Steps to accomplish this were:

(a) Rewrite specifications so that goods were not purchased above the grade necessary. This was done for the large building programme of the joint air training plan, the militia training centres, and other building projects at government cost, and also for many wooden articles for the defence departments.

(b) Have all deliveries to government building projects inspected at irregular intervals, during course of construction, by competent lumber inspectors, to protect the government against improper deliveries as to quantity and quality. This practice has produced valuable results.

(c) The necessary dry lumber for the entire government building programme, over 150 million feet, was purchased before the building programme was announced. The principles adopted were:

(i) The price level fixed was that in effect in June, 1940, before the government came heavily into the market. The situation was discussed with representative lumber manufacturers throughout Canada, nearly all of whom agreed that the government should not be penalized for creating a new market.

(ii) Except in emergencies lumber should be purchased only from the manufacturers and owners of large stocks and at wholesale prices. All such persons should enjoy equal opportunities.

(iii) Transportation costs should be avoided by using up all stocks available at competitive prices in the region of the building projects before bringing lumber in from more distant points.

(iv) All lumber should be dry so as to produce serviceable weatherproof permanent buildings.

The steel controller, immediately upon his appointment, made a complete statistical inquiry into the productive capacity of the steel industry in Canada, with a view to measuring against such capacity the steel requirements for war purposes, based upon war contracts already placed or in contemplation. It has been found that the Canadian capacity is short of meeting the requirements in certain directions, and steps have been taken to alleviate this shortage, through internal organization in the mills and the provision of new production capacity, as well as by curtailing the use of steel for both military and commercial purposes, in cases where substitute materials can readily be used. The extensive gun programme which has been undertaken, requiring the use of special alloy steels, has caused the steel controller to recommend the provision of additional alloy steel capacity and, upon his recommendation, such provision is being made. As a result of the efforts of the steel controller, steel prices have been maintained.

The power controller, immediately upon his appointment, undertook a study of the power capacities and power loads in the various provinces and sections of provinces and the forecast of all probable loads in 1941-42. Such studies were made in collaboration with the Hydro-Electric Power Commission of Ontario and the Public Service Commission of the province of Quebec, both of which bodies have special control powers within their respective provinces, and with the power companies throughout the Dominion of Canada. One of the results of these studies was that a substantial reduction in peak power capacity would be made if daylight saving time were extended in the provinces of Ontario and Quebec, such reductions being estimated at 114,000 horse-power in Ontario and 75,000 horse-power in Quebec. After consultation with the appropriate authorities in the provinces of Ontario and Quebec, and with their consent and concurrence, the power controller recommended to the minister that steps be taken to extend daylight saving time in the provinces of Ontario and Quebec by order in council, which action has been taken.

The power controller is keeping the government constantly advised of prospective power demands, in relation to power supply, and is cooperating with a view to obtaining the most effective use of available supplies.

Machine tools controller. Machine tool requirements, to permit of the effective consummation of the large munitions and gun programme which has been undertaken, are very large and greatly exceed the Canadian capacity to produce such machine tools. It was accordingly considered desirable and necessary that the available machine tool capacity in the Dominion of Canada be primarily directed to war purposes and, therefore, a machine tools controller was appointed with appropriate powers to control the machine tool industry in Canada. The machine tools controller has already taken steps to bring about the more effective use

of machine tools in presently existing manufacturing plants not engaged in the production of munitions of war, and to cause machine tools available in non-essential services to be made available for use in essential services.

On the recommendation of the machine tools controller action has been taken to prohibit, except under licence, the manufacture of new models of any type of appliance or equipment which, directly or indirectly, involve in their manufacturing processes the use of any machine tools, dies, jigs, gauges, moulds, patterns or templates. The purposes of this action is to augment the supply of tools essential to the war effort, and at the same time to provide sufficient skilled and trained men for our rapidly expanding war industries. The "new model" order covers vehicles, railway rolling stock, bicycles, refrigerators, cooking and heating equipment, sewing and washing machines, radio sets, vacuum cleaners, humidifiers, typewriters, glass and other containers, and virtually all appliances and equipment in use in Canada. Existing models in current use in Canada will thus be "frozen." No changes will be permitted except for good and sufficient reasons, and then only under permit from the machine tools controller, who may authorize minor changes or betterments in existing designs which do not involve too great a use of machine tools or skilled labour.

By thus avoiding the economic wastage of machines and men, which mere whims, fads and fancies of fashion often produce, the ingenuity of a number of skilled artisans and highly trained men will be directed toward the work of winning the war.

My hon. friend the leader of the Cooperative Commonwealth Federation party has objected to the type of restriction being imposed by these controllers. I share his desire that this might be a comfortable war in which farmers, labour and our citizens generally might better their scale of living and industry prosper. Unfortunately, it is not that kind of war, provided we wish to throw our whole effort into it. It seems to me that the demands of this war must bear down on every citizen in Canada, to a much greater extent than in the last war. I have no doubt whatever that added restrictions must be imposed as time goes on. The appointment of controllers is an insurance that such restrictions will be applied intelligently, with a maximum benefit to the war effort and a minimum disturbance to our daily life. It is the duty of each controller to get the best out of the industry for which he is responsible. Much has been accomplished in this direction already and much more will be required.

[Mr. Howe.]

Before closing, I should perhaps reply to some of the points that have been raised in the debate affecting the Department of Munitions and Supply. The visit of Sir Walter Layton has been mentioned. Sir Walter came to the United States in connection with the work of the British ministry of supply in that country. He paid a visit to Canada, which was very helpful to the work of the ministry of munitions and supply, in that we were able to discuss with him the present and prospective requirements of the British ministry of supply in this country, and the degree of urgency with which each item was required. A secret memorandum was left with myself bearing on this subject, which is being followed in planning our production programme. Sir Walter is still in the United States, where I have had occasion to consult with him by personal visit or by telephone. I can think of nothing mysterious about his contact with my department.

There has also been an inquiry about the war-time requirements board, membership of which is made up of:

H. R. MacMillan (chairman)
Dr. W. C. Clark
Graham F. Towers
Dr. Bryce M. Stewart
R. A. C. Henry
Major-General L. R. LaFlèche
Colonel G. S. Currie
Lieutenant-Colonel K. S. Maclachlan
H. G. Colebrooke
Mr. Carl Goldenberg (secretary).

This board was appointed on Friday last, the 15th instant, which explains why the Prime Minister had no knowledge of it when the question was asked.

The purpose of the board is to plan the most productive and direct use for war purposes of available supplies of materials, power, manufacturing plant, and facilities, and transportation facilities, in order to ensure that war needs, in the order of their importance, shall have priority over all other needs, and that there shall be a minimum of disturbance to Canadian export trade in particular and Canadian economy in general. The members of the board hold key positions in the war effort, and by conferring together will be able to coordinate all available information in the departments of government that they represent, and recommend such action as may be necessary to anticipate bottlenecks in production.

The leader of the Cooperative Commonwealth Federation party mentioned the location of the Winnipeg cordite plant. In order to remove all mystery from this transaction, I will read a letter, dated November 14, 1940,

addressed to myself, from Mr. Harold Crabtree, president of Allied War Supplies Corporation, which corporation is responsible for the location of the plant. The letter is as follows:

Dear Mr. Howe:

Referring to our interview of yesterday afternoon in which the site for the Winnipeg cordite plant was discussed, two sites were considered for this plant—one on the south side of the main C.N.R. tracks, and the second north of the main line of the C.N.R. which could be served by both the C.P.R. and the C.N.R.

The two sites were equally suitable from the construction point of view, but the north site was approximately two miles farther from the aqueduct, and would require a longer pipeline to take water to the plant. The cost of this extension to the water line was estimated by Defence Industries Limited at about $50,000 to $60,000, and while it was considered desirable to have the plant served by both railways I did not feel that we were justified in going to this expense.

The Canadian Pacific Railway were anxious to serve this plant and offered to absorb the additional cost. Considering the advantages of having it accessible to both lines and the fact that the sites were equally suitable in other respects, a decision was reached to use the north site.

A further point bearing on this matter was that the city of Winnipeg stipulated that the plant, buildings and premises should not be located nearer to the aqueduct of the district than one mile, and it is doubtful if this would have been possible in respect of the site to the south side of the C.N.R. tracks.

Mr. COLDWELL: Did not the city of Winnipeg, through its mayor, say that the south side was preferable?

Mr. HOWE: I cannot say as to that. But after all, when we are buying a site I think we have to make our own decision on that point. I wish to point out only that the suggestion was made that the government had gone to great additional expense to use the site more remote from the aqueduct.

Mr. COLDWELL: Apparently the minister learned this only a day or two ago.

Mr. HOWE: I did not know at the time. I found that out.

Mr. HANSON (York-Sunbury): Was not this decision made by Mr. Crabtree and the board of directors?

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): Independent of the company.

Mr. HOWE: Yes. I am reading the letter of Mr. Crabtree now. I did not have the explanation until I asked for it. I hope I have given the information required.

I think that my hon. friend will admit that this letter gives good and sufficient reason for the choice of the location finally adopted. I would urge that all hon. members obtain the full facts of any transaction before spreading rumour that may lack foundation. I shall always be glad to answer promptly any reasonable question that is placed on the order paper. I shall also be glad to give full particulars of any individual transaction. If there is any irregularity, there is no one more desirous of being informed about it than I am myself. A number of alleged irregularities have been called to my attention, and so far all of them have proven to be without foundation.

I commend that particularly to the attention of the hon. member for Lake Centre (Mr. Diefenbaker) who insinuated last night—in fact, he not only insinuated but made the direct statement—that prices had been obtained, held and disclosed to a contractor beforehand.

In the report that I have given to hon. members, only the secondary industries have been mentioned. It has, of course, been necessary to step up production in our primary industries. The balance between primary and secondary industries is constantly under study, and, as a result of these studies, we have considerably expanded the production of steel, alloys and certain metals. The production of aluminum has been more than doubled since the outbreak of war, and new production is now being undertaken to meet the needs of 1943. I think that provision has been made to keep our production reasonably in balance. Our bureau of economics is proving most valuable in helping us to maintain this balance.

We have enjoyed splendid cooperation from industry and labour. Margins of profit have been maintained at levels much lower than in peace time. I feel confident that there will be no new millionaires emerging from this war. In my efforts to prevent undue profits on the part of industry, I have the enthusiastic cooperation of the Minister of Finance (Mr. Ilsley) and the Minister of National Revenue (Mr. Gibson). Organized labour has cooperated in extending working hours and in bringing incipient labour disputes to arbitration.

I might interject at this point that we have received extraordinary cooperation from organized labour. Almost every week union leaders have written in and have asked if certain actions on their part would be beneficial. If we are in a position to write back to the effect that such actions would be beneficial to the war effort, I believe there

has been no instance in which such action has not been taken by the organization affected.

There has been as little profiteering on the part of labour as on the part of capital. There seems to be a general appreciation that an increase in wages and the cost of living, and consequent increased cost of production, will in the long run be harmful, and that a balance between wages and the cost of living can best be maintained by seeking stability in both.

The next eight months will witness a rapid expansion of employment and constantly increasing industrial activity. At the end of that period Canada should be producing the practical maximum of war materials of which Canada is capable. The next eight months will be a testing time for the morale of the Canadian people. I have no doubt that our industry, and our men and women, will justify our confidence in the productive capacity of this great dominion.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I had not intended taking part in the debate this afternoon. However the treatises which have been read in the house in the past two days leads me to the belief that the government of the day looks on the House of Commons as the family vault, the doors of which are to be opened only once in a while. Last year on January 25 the doors were opened, and closed immediately upon the calling of an election. The vault opened again on May 16, and closed on August 7. At this time it has again been opened, and we have been privileged to hear the last wills and testaments of many cabinet ministers.

While I do not wish to be critical of any of them, there are some observations I should like to make. I know the ministers are working hard. The one who has just completed his speech has done a great deal of work in connection with the re-arming of Canada and the general cleaning up of the situation. For such work he deserves a great deal of credit. My point is this, that if the forty minute rule, which you, Mr. Speaker, so fairly interpreted the other day, is not to apply to ministers we might as well adopt the practice at Washington where members of congress simply hand in, without reading them, pamphlets running to three and four hundred pages, and they are printed in the record.

I think I was the victim who perhaps led to the adoption of the forty minute rule. Away back when a great many members now here were not in this house, four or five notorious bills came up. One was the Sun Life bill, which the privy council declared illegal. Another was the Bell Telephone bill, to cut a melon of $75,000,000 at the expense of the taxpayers of Ontario. Another bill proposed to give away all the power in the Ottawa valley to the Sifton interests, and another was the Beauharnois bill. I opposed all these bills and they were talked out by the opposition on this side of the house, and our action saved the country hundreds of millions of dollars. The old rule was good enough from confederation down to the time when the rules were amended. It was hardly ever abused.

The first point I want to make here to-day is this: Why have we not national government in this country, a government representative of all the people? This is just a Liberal war. We come here and hear these statements read by one minister after the other, seeking to soothe the people into a false sense of security when we are not secure. I did not wait until the war broke out to preach rearmament. I preached it right along from the opposition benches during the whole time I was a member of the house. The more we have of these speeches by the ministers the more we realize that the government believe the pen is mightier than the sword. That was the view the isolationists took in the United States and the pacifists in Great Britain, and this government evidently believes in that same doctrine. When war broke out the British government sent six million leaflets to be dropped over Germany, thinking that by propaganda they could convert the German people to the British government's view, and the third day after war was declared ten million leaflets were dropped over Germany. They believed then that the pen was mightier than the sword. What the people of this country want to know is whether we are secure or not, instead of having all these speeches. Security is better than opulence. We know we are not secure.

I believe there is a call to-day for national government in Canada. I think it would be in the interests of the government itself and in the interests of our war effort. In a real democracy the opposition necessarily shares responsibility with the government. It is the alternative government.

Some hon. gentlemen opposite criticized the hon. member for Hastings-Peterborough (Mr. White), but that gentleman has already shown his zeal in this war by wearing the king's uniform and serving as a company commander training the young recruits. The House of Commons is the only place where a soldier or a citizen can have his grievance remedied or where the man on the

street can learn what the facts are and what are the policies of the government and those who oppose it.

The Minister of Munitions and Supply is a very able minister with a fine record in private business. I think I have known him as long as anybody in the house. He is a sincere and hard-working man. I knew him as an engineer when I was chairman of the Toronto harbour board, and I have been acquainted with the good work he has done. He has worked hard and well and I know his heart is in his work. I believe he has tried to do his duty. I do not know the whole story but I believe he has done his bit to the best of his ability, even though he supports the policies of the government and the way they administer the affairs of the country.

In Great Britain the Labour party under Mr. Lansbury opposed all measures of rearmament. From 1931 to 1935 the opposition was committed to pacifism, and pacifism was sweeping the country. In a by-election at East Fulham, in 1933, the issue was the pacifist issue, and the "peace and disarmament" candidate, Mr. J. C. Wilmot, turned a Conservative majority of 14,521 into a Labour majority of 4,840. Mr. Baldwin, commenting in 1936 with appalling candour on this colossal turnover, said:

> Now supposing I had gone to the country (in 1935) and had said "Germany is rearming; we must rearm." Does anyone think that this pacific democracy of ours would have rallied to that cry? Not at that moment. I cannot think of anything which would have made the loss of the election, from my point of view, more certain.

Mr. Lansbury had long been the head of the Labour party, and you all know his pacifism—"not a dollar, not a man," and all that kind of thing. Then he lost the leadership of the party and Mr. Bevin and Mr. Morrison and Sir Stafford Cripps came to the forefront. Then there was the peace ballot in Great Britain and the general strike, the Independent Labour party under Mr. Keir Hardie, and the socialist league, all warning the government in no circumstances to go to war. Sir Stafford Cripps was a pure pacifist. In 1933, at Bristol, he said:

> I think we ought to warn the government that in no circumstances will we go to war. There is only one way in which we can make that threat effective, and that is to call a general strike.

Last but not least there was the League of Nations Union, which has done more damage and done more to cause this war than almost any other agency.

What do we find to-day? We find the British government has formed a cabinet of all parties and taken in a lot of pacifists. Mr. Herbert Morrison is a very energetic Minister of Supply, whose work is universally admitted to have been very valuable. He and Mr. Bevin have been more successful than any preceding minister in pursuading trade unionists to suspend their regulations and in securing an increased output of munitions. Nevertheless, until he was admitted to the ranks of the ministry, Mr. Morrison in the London county council, for instance, or its committees under his direction, abolished the celebration of empire day in the schools, decided not to sanction the maintenance of cadet corps or officers' training corps, refused to assist in military pageants or tattooes, declined the use of the schools for purposes of recruiting or drill, withdrew grants for scholarships to enable boys to become officers in the Royal Navy, denied permission to children in schools to attend lectures on the navy, banned in 1936 circulation in the schools of Earl Beatty's empire day message. Mr. Morrison himself said at Islington on March 22, 1935:

> The Labour majority had to take into account that a large number of parents, and a growing body of public opinion, had a deep objection to the military training of the young.

The League of Nations Union was started in 1920 as a non-party organization to make the work of the league known and win popular support for it, but it gradually passed under the control of pacifists, cranks, socialists, cosmopolitans, with the result that from 1931 onward it became increasingly anti-government, deprecated recruiting, took a leading part in organizing the peace ballot of 1934-35, changed the mind of the Baldwin-MacDonald government and led the dictators to believe no matter what they did Britain would be neutral.

My point is this. Notwithstanding that France, when war broke out, had a socialist government, the United States a new deal government, Great Britain a Conservative government, and Canada a Liberal government; and notwithstanding the fact that in all these countries isolationism, pacifism and all that sort of thing had held sway for years, the British government stopped all that in Great Britain by forming a national government representative of all parties that rearmed after Munich and since the war united the nation. I am a strong supporter of the trade unionist movement and always have been, but I believe the government of the day in Great Britain did the right thing with respect to the trade unionists by calling in all parties —labour element and opposition, many of whom had helped cause the war—in order to present a united front to the enemy.

Why does not this government do the same thing? That is the first point I raise in this debate. Why does not this government take the same action that the British government took, instead of having in office in Canada a purely Liberal party government run on party lines? Let us rather have a government representative of all the people from Halifax to Vancouver and put politics in cold storage until after the war. Such a government would have the united and loyal support of the whole country.

Secondly, I would ask where are we now in this war? We have now had almost fifteen months of war. We have seen Hitler capture, by diplomacy and fraud and the ferocity of his attacks, practically the whole of Europe except Russia and two little islands at the edge of Europe—Great Britain and Ireland. Where are we now? Are we secure? Are we secure enough? No, we are not. We are not going to be able to fight Hitler by books and pamphlets and orders in council and the reading of treatises and all that kind of thing. The defence of Canada will never be decided at Vancouver or Quebec or Halifax or Saint John; it is going to be decided in the battle of Britain. The battle of Britain is now on in the Mediterranean and other fronts, and if they fail over there all our home defence is at an end, and so is that of the United States.

I am very much dissatisfied in a great many ways with the work the government has done. First, they have given the House of Commons no information. I referred to that in 1938 and 1939 and in the two sessions this year. Mr. Chamberlain said in 1938 and 1939 that if the people are not given the facts, if they are given only so much as their rulers allow them to know, they are embarked on a course which is fraught with grave consequences for the future. That was proven to be true. Criticism is a tonic. It is good for the individual, it is good for the government. It stirs governments to action. If the criticism is founded on fact and not based on partisan objects it can do nothing but help; it can save the government from many pitfalls and mistakes, grave perils and dangers.

Now, the criticism regarding this war effort is justified. The opposition has a responsibility to the soldier and to the country to perform its duty when information is lacking. In such statements as we have had during the last three or four days there is a lack of information. There is also too much Hollywood ballyhoo about our publicity. In my opinion the bureau of public information should be wiped out altogether—it has been a centre of mischief ever since it was started—and the press instead should be given this responsibility and these functions. How does it come about that to a very large extent only United States citizens—some of them newspaper correspondents—have been chosen to do this work? The bureau has a broadcast which they call "Facing the Facts." They are not facts at all. A great many of them are only half-truths. The speakers deal largely with opinions and are in the realm of doubt all the time. They forget all about Britain that has given the United States all the peace it has had so far.

In a democracy the opposition shares responsibility with the government. Its business is to criticize the government's policy, and if its views make a popular appeal the government is generally compelled to make revisions, by concessions, compromises, and so forth. Reading the handwriting on the wall often saves a government from its own friends.

The collapse of France was caused because the people were not given the facts, but were kept in the dark. But for the isolationism of Canada, long before the war began the dominions would have been invited to participate in a war plan. Canada should have been delighted to do so, but Canada was lukewarm and drifted. Canada was one of the chief objectors and isolationists before the war. At the outbreak of the war she was not prepared. As in 1812, she had to depend on Britain, on land and sea and in the air, for defence.

What the House of Commons and the people want to get is real information and the real picture. The picture which the minister has just disclosed is a very rosy one, but you cannot fight Hitler by explaining what you are going to do in 1943, 1944 and 1945. The government's attitude reminds me of the United States, where congress was shocked by the chairman of the war committee, Mr. Willam Knudsen, when he said that it would be 1944 before the United States could mobilize, train and equip an army or get a proper rearmament programme. We are in the same position.

In debate on March 24, 1938, when the government of the day put up member after member from Quebec and other centres to tell the country that not a dollar was to be spent ex-territorially, when the Prime Minister (Mr. Mackenzie King) said we would never send another expeditionary force overseas, that the danger to Canada was minor in degree and secondary in origin, and all that kind of thing, I took the position that we should have a survey made of all the large and small plants in Canada and that there should be a national register and national service. About the time of the Ethiopian campaign, in 1936 and 1937, I proposed an

air scheme linked up with the Department of Labour, whereby the young people from our schools and high schools who were out of work and looking for jobs could enter the aeroplane industry, learn a trade, learn something about air training, take some drill, receive pocket money, food, clothing and lodging, so that at the end of from three to five years they would be available either as pilots or in those branches of industry which are now doing from coast to coast the key work which the minister has so ably set forth.

What the country wants to know is when we shall have deliveries of shells and bombers and aeroplanes and aeroplane engines and guns and rifles,—all that sort of thing. I have seen soldiers out on parade along the streets, and they have not got any of this equipment. In the debate last year I put forward the constructive idea that Canada should find a way of making possible the impossible. In other words, where there are no barracks or implements of war we should do as we did before, namely, take other public buildings. If men have no uniforms, let them train without uniforms. If they have no rifles, machine guns or other modern implements of warfare, then they should do what has been done in France and Great Britain, namely use dummies until the real weapons can be obtained. Instead of allowing these men to drift around with nothing to do, they should be given the proper training immediately. Toronto is the main recruiting district in Canada, and I do not know what is going to be done there, or elsewhere. The men want to get overseas. This is not the way to fight Hitler. The government should wake up. We shall never beat Hitler and win this war if we go on the way we are going now. As I said in 1938, it takes two years to train a man, and two years to get munitions, and then six months afterwards for the soldier to learn how to use the armaments with which he is then provided.

As I have said, France fell because she was denied the simple truth about the way things were going. After all the items of news which we have had, I doubt if we could produce a white book or paper about our relations with the continent and with the United States or with Britain since the war began. I have seen nothing of the kind. The house has not been given the facts. Sir Robert Borden used to say that when he had a secret he wanted to keep he should tell it to his cabinet. When the present Prime Minister has a secret he wants to keep, he seems to tell it to a do-nothing Canada-United States defence committee, or to fifty United States newspaper editors who come over here and then go back to their own country and publish these secrets in United States newspapers, over the head of the House of Commons, the members of which do not know the secrets, and over the heads of the people who have the right to know what is going on and how their money is being spent. The dictators knew all these so-called secrets long ago.

The revelations of the strength and skill of the German army and the way they smashed through the low countries and Scandinavia have shocked this country and awakened the United States. But where are we now? In the olden days battles lasted only a day or two. With the increase of population and the advent of mechanized equipment, battles nowadays go on for one, two, three and four years. Germany to-day is headed by a chancellor whom the people worship and idolize. We thought that he could be easily defeated and that, for that reason, war would never come. But what has actually happened? In the last great war Germany kept the whole civilized world at bay for four and a half years, notwithstanding that at that time we had on our side Italy, Russia, the United States and Japan. Now Italy and Japan at any rate are against us—one is fighting against us and the other is a potential enemy—all on account of the appeasement policy that had been pursued. We have lost Japan, our old and faithful ally who looked after the Pacific, Australia, New Zealand and the empire in the east. She was driven out of the Anglo-Japanese alliance to appease America. The same with Italy. These two countries should never have gone against us. It was a fatal mistake to lose two old friends and loyal allies.

You cannot beat Hitler with any tower of babel such as we have, as represented in so many agencies including our information bureau, the typewriter and quires of foolscap, and the radio, and government by order in council. History is being gloriously rewritten by our men on land and sea and in the air and we should see to it that they are given proper equipment. Let me refer the house to the stirring words of Mr. Churchill, after the collapse of France, on the duty to inform the public and tell them the truth, no matter how bad.

During this time of war great powers are entrusted to executive governments. Nevertheless we exercise them under the constant supervision of parliament and with a wide measure of free debate. We have a stern and resolute House of Commons which is not likely at all to flag or weaken in the conflict upon which we entered unanimously. And I do not doubt that it is the House of Commons which will

not hesitate if emergency requires it to approve and enforce all measures necessary for the safety of the state.

During the last 250 years the British parliament has fought several great and long European wars with unwearied zeal and tenacity, and carried them all to a successful conclusion. In this war they are fighting not only for themselves but for parliamentary institutions wherever they have been set up. In our country public men are proud to be the servants of the people. They would be ashamed to be their masters. The ministers of the crown feel themselves strengthened by having at their side this House of Commons and House of Lords, sitting with great regularity and active as a continual stimulus to their activities.

Of course it is quite true that there is often severe criticism of the government in the two houses. We do not resent well-meant criticism from any man who wishes to win the war; we do not even shrink from unfair criticism, though that is most dangerous. On the contrary, we take it constantly to heart and seek to profit by it.

Criticism in the body politic is like pain in the human body. It is unpleasant, but where would the body be without it? No health or sensibility would be possible without the continued correctives and warnings of pain.

It is in this fear of criticism that the nazi and bolshevik dictators run their greatest risk. They silence all criticism by the concentration camp, the rubber truncheon or the firing party. The men at the top must very often be fed only with facts which are palatable to them. Scandals, corruption and shortcomings are not exposed, because there are no independent voices. Instead of being exposed, they continue to fester behind the pompous frontage of the state.

The men at the top may be very fierce and powerful, but their ears are deaf. Their fingers are numb. They cannot feel their feet as they move forward in the fog and darkness of the immeasurable and the unknown.

One of the things that this war is going to prove is whether in modern times the full strength of nations can be realized under totalitarian systems working through an ogpu or a gestapo.

I believe the time has come when the press censorship in Canada should be abolished entirely and we should go back to the good old British system, leaving the responsibility for censorship as largely as possible to the voluntary effort of the press. This is what Britain is doing. There are one or two press censors there who supervise things but the press is left largely alone. In my opinion it would be far better for the Canadian people, and it would make for the dissemination of more reliable information, if that policy were followed in this country. After all, the press has certain duties to the public. It is the medium through which the government of the day can impart information to the people, and I submit that it should not be trammelled, but should be let tell the truth. Truth is the first victim of this war, and self-respect is the victim of neutrality.

[Mr. Church.]

In my opinion the National Resources Mobilization Act should be repealed altogether. It has proved a failure. If the same amount of money that has been expended under it had been devoted to a voluntary system of recruiting there would be nearly one million men under arms in Canada to-day instead of the comparatively small force which we have under this complicated and useless method, headed by civilians who know nothing of war. The system now in force has been weighed in the balance and found wanting. It is headed by civilians and there is altogether too much red tape, delay and cumbersome procedure about it. They seem to think that we can fight Hitler in that way, but they will have a rude awakening. In the last war we did not have so many ministers directing our defences as we have to-day. We have good men for militia, air, and the navy. At the present time there is no system of check and balance and in consequence there is continuous friction among the services, and waste and duplication. The system should be abolished and we should go back to the old method. There is something of the Alice in Wonderland way in the conducting of our war effort. They seem to think that what they have done is simply wonderful, but it is not getting men over to fight Hitler and help in the battle of Britain.

May I say a word now with regard to the Rowell commission—I say Rowell commission because in my opinion it should be so designated. Chief Justice Rowell was the original chairman of the commission, and the other members have not the learning and ability or the wide knowledge of constitutional questions, or the judgment, that the original chairman had. However, the question I should like to ask is this: Why is the report of the commission to be considered at this stage? The report was relegated to the archives last session—earth to earth, ashes to ashes, dust to dust, in sure hope that it would not be resurrected. Why is it being revived now in the darkest hour of the war? Why not postpone consideration of it until after the war? It is a red herring dragged across the track now to hinder our war effort.

It seems to me that the report of the Rowell commission does not tackle the main question that confronts the people of Canada to-day, namely, overgovernment and overtaxation. We should never have had any provincial legislatures; they are duplicate municipal systems. They were created by the fathers of confederation for political and not for economic purposes. We want a British North America Act for the living and not for the dead. The report, I repeat, does not

deal with the main question as to the elimination of provincial legislatures. If the provisions of the report are adopted it will simply mean that the province of Ontario will become the hewer of wood and the drawer of water for the rest of the confederation.

We have four ministers from the province of Ontario and not one of them is in the house this afternoon. We have heard from a young minister representing an Ontario constituency. He spoke yesterday. I have not the pleasure of his acquaintance, though I have no doubt he is very much respected in the maritime provinces. He now represents the city of Kingston in this house. I would impress upon these ministers representing the province of Ontario that the province is being overtaxed, and is the forgotten province of confederation. Under the Municipal Assistance Act the province of Quebec has been given many concessions in relief legislation and votes. Many institutions have been provided, parks and sidewalks and other purely municipal services, out of federal funds, while Ontario has received nothing, and no such favours in relief votes. It seems to me that the report, while undoubtedly satisfactory from the point of view of the prairie provinces, will shake the very foundations of confederation if it is carried into effect. From the very start I have strenuously opposed the way in which the dominion and provinces have encroached upon the rights of the municipalities and robbed them of their revenues. Federal power now is at its lowest ebb since confederation. One has only to mention income tax. There are some good features in the report, but I submit that it can be laid over until after the war is won, because if Hitler wins it will not matter whether the report is adopted or not. After the war the wreckage will be so great there will be nothing to salvage in Canada.

There are many matters that one might discuss in this debate. It seems to me that the time has come when we should get rid of the dummy for the nazi ventriloquist, the Petain French embassy in Canada. A great British newspaper said recently:

We publish a note of Lord Milner's on the war crisis of March, 1918. In it will be seen how Marshal Petain had to be pushed and pulled along by Clemenceau and Foch, and in the latter's war book it is described how, later in 1918, Petain proposed surrender. It does not appear that he actually used the word at Doullens in the presence of the British, but speaking to the French he predicted the surrender of Marshal Haig within a month of the Doullens gathering. Surrender would appear to be part of his make-up. Another side of his character is seen in his seeking to throw blame on others. He and General Weygand were in charge of the French army until 1935, for Marshal Petain was inspector-general of the French military forces from 1922 to 1931, and he was war minister in 1934. General Weygand was the head of the French general staff, that is head of the army, from 1931 to 1935. These generals, therefore, must not take the line that they have no responsibility for French military plans and training or for the failure of both. Between them they had control from the vital year 1922 to 1935, the lessons of modern mechanization had been learned by others. General de Gaulle published his great book, *Vers l'Armes de Metier*, in 1934. General Weygand and Marshal Petain paid no attention to it, but Hitler reorganized his whole army in accordance with its precepts, and his generals derived their plans for the battle of France very largely from the principles there laid down. One more point. In his radio apologia to the French for his surrender to Germany, Marshal Petain said that France had too few allies and too few children. The marshal's treatment of French allies will certainly not add to the number of those seeking alliance with France, and in regard to too few children, Marshal Petain himself only married when he was sixty-four and has none at all. He probably forgot this when he spoke, as indeed he now forgets everything. Most of his day is spent asleep, and while his interlocutors are actually talking to him he forgets who they are and asks their names. A perfect tool for the enemies of his country; a piteous end for a brave soldier.

I am sorry for the great tragedy to glorious France, our immortal ally of old. I am sorry for the way in which Petain acted; he was a great general. I am very sorry for the glorious French people because we all recognize their bravery, devotion and love of freedom. They are now under the heel of the invader and with the cold of winter coming on we see the result of their work. We should close up the Petain mission and like England recognize the French provincial government.

We should also have some understanding regarding some of the other nations.

When Mr. Churchill speaks in the House of Commons he is listened to by the wide world. One reason why he stands above others is that he has no "ghost" or anonymous helper writing out his utterances for him, as is the case with so many public men in other countries. Mr. Churchill's speeches are his own, and they rank high in the annals of British oratory, like the one in which he told the House of Commons two or three weeks ago:

It has come to us to stand alone at the breach and face the worst that the tyrant's might and enmity can do. Bearing ourselves humbly before God, but conscious that we serve an unfolding purpose, we are ready to defend our native land against the invasion by which it is threatened. We are fighting by ourselves alone. But we are not fighting for ourselves alone . . .

I moved for an order on May 20 for all the orders in council in regard to recruiting. It has been a matter of on again, off again, and so on. No wonder there is no recruiting at the present time. We could have had nearly a million men now under arms if they had not been discouraged. We were told they were not needed in England; but they will be needed when Britain takes the offensive. The same trouble was caused in Australia and New Zealand when the war started. The recruiting stations were so crowded that men could not get in; the same blunder was made.

I wish to pay tribute to-day to Ulster. Consider what Ulster has done; she is with the mother country to the end; she is getting stronger all the time; she has over one hundred thousand volunteers, many of whom have been killed and maimed; she turns out munitions and equipment and ships at great speed night and day; every man, woman and child has his or her place; she has given over £6,000,000 to Britain and £30,000 in post office certificates; she has given Spitfire equipment. In case of invasion England is there on her borders and she is on the spot to defend the back-door, which was such a great danger in the war with Napoleon. That great country stands by the side of England and is not going to be driven out by anybody. She is protecting the bases on the north and east and off the coasts of Ireland where the Germans have been doing great damage to our trade and shipping.

In conclusion I wish to refer to two or three small matters with regard to soldiers which have come up. There is great dissatisfaction among the returned men from Vancouver to Halifax. I have letters from all over the country; I have not time to go into them, but I believe the time has come when we must have a proper and adequate system of insurance for our soldiers, free fares, and camps closer to their homes and not spread all over Canada.

Then take Camp Borden, on which $4,500,000 has been spent, money absolutely wasted, when they could have had the Toronto exhibition grounds, High Park and all that vacant land on the Toronto-Hamilton highway free and suited for manoeuvres. At that camp there was a riot among the soldiers in the great war when the then minister was present; it is not, in my opinion, fit for winter use, let alone summer. Then here is a bankrupt railway, the Canadian National, into which this country has poured millions of dollars, and they cannot carry a few soldiers free.

Something will have to be done about home leave for Christmas for all soldiers in Canada, if recruiting is not going to be hurt. I conclude by urging the government to do something for the soldiers in this connection. If they do, it will commend itself to the wisdom and judgment of the country.

The Minister of National War Services (Mr. Gardiner) returned recently from the old country. He talks about food for England. Two years ago in this house I urged him to establish food reservoirs in England, send over there a year's crop of grain, and bacon, canned goods and all that kind of thing. That was not done. I pointed out to him and to the house four or five times the tremendous danger of the submarine menace in the great war and how it would be ten times worse in this war by reason of air raids on merchant shipping. But nothing was done.

There should be a civilian inquiry into the death of every person killed in Canada while on active service. I asked this question:

1. How many airmen have been killed in Canada while in training since this war started, and where?

2. Were any civilian coroner's inquests held into the causes thereof, or only military inquests? Will the reports be tabled?

3. How many soldiers were killed on troop or other trains while serving in Canada, (a) Canadian National, (b) Canadian Pacific?

4. What inquest was held into the causes, civilian or military, or by the board of transport commissioners? Will any reports be tabled?

It is the duty of the federal, provincial and municipal authorities to see that these civilian inquests are properly conducted. These men are citizens and the country should be given the information.

The whole thing boils down to one issue: Do the people of Canada think they are secure as a result of the policy of the government? I say they are not. One of the main reasons why they are not is the policy of secrecy of the government in conducting a Liberal war, because that is all it is, instead of having a proper and adequate war policy and taking the people and the parliament of Canada into their confidence.

Mr. W. F. RICKARD (Durham): Mr. Speaker, after having listened to this debate for the past several days I feel it my duty, as the representative of a rural constituency, to say a few words with regard to the problem which we face in Ontario, and more particularly in that part of the province from which I come.

Before doing so, however, I should like to congratulate the mover and the seconder of the address in reply to the speech from the throne. Both these hon. gentlemen did credit to themselves as well as to the constituencies they represent. I should like also to add a word of appreciation for the clear manner in

which the Prime Minister (Mr. Mackenzie King) presented Canada's war effort to this house and told us what would be expected of us as Canadians. I should like also to congratulate the various ministers who have spoken, upon the way in which they have handled the situation and the work they have done. They have shown that they know their jobs and understand what it is all about. To my mind they have presented to the house and to the country a clear picture of what is being done in connection with our part in this war.

Some criticism has come from the press and other sources because the government has not divulged all the secrets of this war effort. Those of us who read the *Globe and Mail* are perhaps more familiar with these statements, because there from time to time we have seen comments that nothing has been done, that we have not been told half the story, and so on. I am one of those who believe that agitations of this kind do more harm than good as far as our war effort is concerned. We all know that certain matters cannot be made public. We also know that the empire is engaged in a mortal struggle, and we are convinced that we are fighting for the right. Because of this the Canadian people are prepared to make unlimited sacrifices. What is more, they want to do anything they can to help win this war. Victory will come only after a long, bitter struggle, and there will be a time and place for all to help.

My purpose in taking part in this debate is not particularly to discuss Canada's war effort, which already has been debated at some length, but rather to give this house in my humble way some idea of the conditions facing the man on the land in this province of Ontario. The other evening the hon. member for Qu'Appelle (Mr. Perley) lamented the condition of the western wheat grower. He criticized some portions of the government's policy, and offered certain suggestions which he thought would remedy the situation as far as the west was concerned. But he did not give the government any praise for anything the government had done in connection with markets, which I thought he might have done if he had desired to be fair.

Mr. PERLEY: Tell us what they have done.

Mr. RICKARD: Just a moment. As a farmer I know I have received more for my produce since this government came to office than I received under the previous government. After 1930 I well remember selling hogs for 3½ cents a pound and less, and cattle at 4 and 4½ cents a pound; cheese went down to 10 cents a pound, and so on. I am not arguing that we are getting enough for our produce to-day, but I do say that since this government came into power and made a trade treaty with the United States, which permitted us to ship our surplus cattle to that market, many thousands of dollars have been placed in the pockets of the Canadian farmers. More than that, I believe that same trade treaty has had a good effect in bringing about a closer relationship between Canada and the United States which is proving very helpful as far as our war effort is concerned.

To-day governments, both provincial and federal, are spending thousands of dollars in trying to educate our young men and women to stay on the farms. Only recently, there were held in every province of the dominion judging competitions, the winners of which were given free trips to Ottawa in order to see the highlights of this capital city; they were here only a week or so ago. Boys from Durham county won two dominion-wide contests, in seed judging and potato judging, and were only six points from winning a third. Ours was the only county in the country to win two prizes. But now, after we have done a great deal to keep our young people on the farms, industry comes along and takes every available man. It seems to be well recognized that farm boys make the very best men in industry; of course they are good men anywhere. As I say, I am not arguing that the farmer is getting his fair share, or that the prices of the commodities which he has to sell are nearly high enough, but I do say that we are better off now than we were under the previous administration.

There is no class of people under the sun more willing to do what they can for Canada's war effort than the farmers. Wherever possible they have contributed to the war loans. Without complaint they have allowed their sons to leave the farms for their thirty-day training. They and their wives and families have interested themselves in the work of the Red Cross and other organizations which will help win this war, but they expect a fair and decent return for their labour, just as industry, just as the business man and just as the labouring man expect a fair return.

That brings me to the labour problem, which is a very important question in Ontario. With present prices of farm commodities it is impossible for the farmers to compete with industry as far as wages are concerned. I am not opposed to labour getting everything it can, because I believe that labour has been kept down too long.

But to-day hundreds of farmers in Ontario are leaving their farms and going to work in the shops because in two weeks they can earn more money there than they can make on a farm in three or four months. Perhaps we have overproduced. It is said that we have a surplus of eight hundred million bushels of wheat; we have been persuading Great Britain to take more of our pork, and we may have too much butter for home consumption. I should like, however, to sound a warning. I believe that if the war continues for another two or three years we may find that we have not enough of these commodities to meet the demand.

As I said before, many farmers are leaving the land to work in the factories. Many others told me they were just going to plough what land they could sow, take off and sell the crop and let the rest go. Other farmers to my knowledge are getting up early in the morning, doing their chores before daylight, driving to town and working in factories all day, then coming back and doing their chores again at night. In my opinion this sort of thing cannot continue. If anything can be done for the farmer in Ontario or in any other part of eastern Canada, or for the farmer in western Canada, it should be done now, before our whole system is upset.

In his speech delivered a few days ago the Minister of Agriculture (Mr. Gardiner) told us what we could sell to Great Britain in the coming year, and described in detail the agreement between Great Britain and Canada. He said that we may sell wheat and dairy products. In the latter group we must include cheese, and of that commodity we are to sell all we can produce, at a price of 14.4 cents a pound to the producer. We are to sell bacon and other cured meats, canned and fresh fish, poultry, eggs, canned fruits and vegetables—but practically no fresh fruits. As a fruit grower it is natural that I should be disappointed in Great Britain's decision not to take our apples. If, however, that decision has been made, we shall have to make the best of our home market.

Great Britain is willing to take some $12,000,000 worth of fish from the maritime provinces, and with that provision I am pleased. As farmers we are not satisfied with the price of bacon set by the British government, but if it is a price which permits the farmer to know exactly what he is going to get the year round, the situation may not be too bad. To-day the farmer in Ontario should receive at least $8.50 per hundredweight, live weight, at his barn, if he is going to get any return on his expenditure. The price of farm produce to-day is altogether too low, when compared with what the farmer has to pay. All kinds of implements of production have increased in price. Lumber, building materials, wire fencing, hardware of all kinds, boots and shoes and practically all the necessities of life have advanced in price at least to some degree. Some have not advanced very much, but have done so sufficiently to make the difference between profit and loss to the farmer. Hundreds of farmers are to-day making only a bare living on the land, and every assistance is necessary if they are to keep going, and do their best to help in Canada's war effort.

I do impress upon the government the necessity of seriously considering the condition in which the farmers of eastern Canada as well as those in the west find themselves. Let us all try to work together, and do something to help the farmer in his war effort. Let us work toward the building of a greater Canada.

On motion of Mr. Ilsley the debate was adjourned.

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

[Mr. Rickard.]

Thursday, November 21, 1940.

The house met at three o'clock.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Wednesday, November 20, consideration of the motion of Mr. Brooke Claxton for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Hanson (York-Sunbury), and the amendment to the amendment of Mr. Blackmore.

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, some members of the house are intensely interested in government finance, some only mildly so, and some, I fear, not very much at all. But all are entitled to a clear presentation of whatever the government may wish to say on the subject and I have therefore given some thought to the arrangement of my remarks.

These will fall naturally under four heads—principles, developments, criticisms and prospects. And it will be my object to present under these heads, and with all possible brevity, the facts and observations relating to government finance which I believe deserve the attention of this house.

The principles of our war finance policy have been stated before but will bear repetition. Briefly summarized these principles are:

1. That in real terms, that is to say in terms of the loss to the nation of the production required for war purposes, the war is paid for substantially while it is in progress.

2. That the limits of what we can devote to war purposes are not financial but, as previously stated in this house, are physical, mental and moral, that is to say, the physical limits of our resources and the mental and moral capacity of Canadians to bear burdens and make sacrifices.

3. That the task of finance is not only to provide the funds which are used to pay for the war services but more fundamentally is, by taxing and borrowing, to restrict the civilian demand for economic resources in order that they will be available to the defence or supply departments when required.

4. That in discharging this function, finance must keep in step with the defence and supply programme.

5. That for this purpose, taxation, as far as practicable, is a better method than borrowing because it is fairer and final.

6. That taxation should be imposed upon a basis of equality of sacrifice, having regard to ability to pay.

7. That there are practical limits beyond which taxation cannot be carried, so that the government must also do some borrowing, which should be as far as possible out of voluntary public savings.

8. That the third method of war finance, namely, inflation, is the most unfair, the most uneconomical and the most dangerous of all methods of financing a war.

9. That in the early stages of a war, some expansion of credit is often possible without inflation.

10. That later, as the resources of the country become fully employed, monetary or credit expansion necessarily brings about inflation unless offset by strict counter-measures, such as severe taxation.

These principles have been laid down repeatedly in this house by spokesmen for the government, particularly in the budget speeches of September, 1939, and June, 1940. Every step of a financial character which the government has taken has been based upon these principles and it is the policy of the government to continue to follow them.

I may add that as far as I can judge or ascertain, these principles have met with widespread approval in the country. In so far as there can be said to be a public opinion on principles of war finance, the principles I have outlined are in accord with the overwhelming preponderance of Canadian public opinion.

May I now review the main events or developments relating to government finance which have taken place since the end of July, when I last spoke on this subject in the house.

First, I should mention the very rapid acceleration in war expenditures which has taken place during the last few months. War expenditures in June and July had been in the neighbourhood of $40,000,000. For August they amounted to $59,000,000; for September to $67,000,000, and for October to about $82,000,000, which is at a rate of very nearly one billion dollars a year.

Mr. HANSON (York-Sunbury): I do not wish to interrupt the minister, but would he be good enough to say whether these expenditures were actual payments, or commitments?

Mr. ILSLEY: Payments.

Mr. HANSON (York-Sunbury): Thank you.

Mr. ILSLEY: So far as I have been able to ascertain, war expenditures will continue to rise as our military, naval and air programmes develop. I do not know whether hon. members fully realize what it means for this country to be spending at the rate of one billion dollars a year on war purposes, the rate which we have already reached. That is nearly twice our normal peace-time rate of expenditure of all kinds. It is about one-fifth, probably more than one-fifth, of our national income.

Non-war expenditures during the first six months of this fiscal year have been about $29,000,000 less than in the similar period last year. The reductions to be achieved in the second half year will be larger in the case of most items than those in the first, particularly in the major items of public works and relief: in the first because the fiscal year had already begun before the new policy was fully operative, and in the second because the winter relief load is larger than the summer and there is more room for saving.

On the side of revenue, receipts during the fiscal year up to yesterday were about $145,000,000 more than at the same date last year and have been well in line with the budget forecasts, bearing in mind the normal and anticipated variations through the year. If anything, the budget estimates are apt to prove slightly conservative as regards revenue. The first returns from the national defence tax are proving to be somewhat better than the necessarily approximate estimates that were made without previous experience of this kind of tax. It is worth noting, moreover, that the increases in taxes made in the June budget

were largely in the form of income and excess profits taxes to be collected next year so that the amounts of taxes accruing on this year's incomes are greater than the revenues now being received.

In this connection, I wish to call your attention to the announcement which was made in September about the monthly instalment plan for payment of income tax due next year. I said I would introduce an amendment to the act which would provide that if anyone paid one-third of his income tax in four equal monthly instalments before April 30th, he would be permitted to pay the balance in four equal monthly instalments in May, June, July and August without having to pay interest as in the normal way. I trust that as many taxpayers as possible will take advantage of this plan, and begin to save now for their income tax payments. Otherwise, there may be a rude awakening when the magnitude of the tax payable becomes recognized.

In addition to our own war expenditures British war expenditures in Canada have been accelerating greatly in recent months, and we have assisted Great Britain in providing Canadian dollars to enable them to make these larger purchases. You will recall that during the summer it was announced that another large repatriation of Canadian securities from Britain had been arranged, in the form of the redemption of the dominion 4 per cent stock 1940-60 of which the amount outstanding in the hands of the public was about 17 million pounds sterling. At the end of last month another similar transaction was announced in the repatriation of the Grand Trunk 4 per cent perpetual consolidated debenture stock, payment of interest on which is guaranteed by the dominion. This operation should eventually result in the transfer of about $109 millions to British account in Canada. Moreover, arrangements have been made with the British authorities under which their agents will market directly in Canada certain other British holdings of dominion guaranteed and corporate securities. Needless to say, it has been agreed that these sales will be carried out from time to time in an orderly way so as not to disturb our markets.

I might add by way of explanation that between these various major repatriation transactions, we provide Canadian dollars to the British authorities on a temporary basis through the accumulation on our part of sterling balances which are then liquidated in the larger transactions. While I am not free to disclose to you in advance the probable amounts of dollars to be provided to the British government from time to time—they depend on various circumstances—I think I may safely say they have recently been running at an annual rate of substantially more than the two hundred million figure mentioned by my predecessor in his budget address of last June.

Another financial requirement which is frequently overlooked in assessing our total financial problem is the amount of money which must be tied up in the purchase and holding of wheat by the wheat board. The fact that these large sums are not obtained directly from the treasury but by commercial type loans, guaranteed by the dominion, should not blind us to the drain which they make upon the nation's savings, quite apart from any losses which the treasury will ultimately be called upon to bear. If it were not necessary to obtain funds from the banks for this purpose these funds would be available for other purposes, including war expenditure. The large crop which has been harvested in the months since my last review of our financial position will mean that we must anticipate the tying up of a large sum in financing the enormous carry-over of wheat that we shall almost certainly have next year. From the immediate financial point of view the financing of these wheat supplies raises the same problems as the financing of any other form of expenditure.

Our borrowing operations since July have taken three forms—the sale of non-interest bearing certificates, the war savings certificates campaign, and the second war loan. We have continued to receive a substantial number of interest-free loans from public-spirited citizens. Up to November 18 the total number of such non-interest bearing loans was 466, and their total amount was $2,843,297.07.

The war savings campaign has been carried forward continuously, and I want to express my thanks for the enthusiastic voluntary cooperation which we have received from the many people all across the country who are helping us with this work. Up to yesterday we have raised a total amount of $22,493,236 by the sale of war savings certificates and about $1½ millions more by the sale of war savings stamps that have not yet been turned in for the purchase of certificates. Systems of regular savings out of wages and salaries have been established in several thousand firms throughout the country. A good start has been made, but we must do very much more. Sales of certificates in recent months have been running about two and a half million dollars a month, which is far short of the amount we must sell in order that this savings campaign may take its proper place in financing the enormous war expenditures that are now being made each month. A meeting was held in Ottawa last month of the chairmen of the various provincial war savings committees, and a new and much

larger objective was set and a reorganization and intensification of the whole campaign begun. The objective of this campaign for 1941 is $120 millions—ten million a month. This is going to require that far more of our people shall make regular war savings out of their incomes.

The most important financial event of the past few months was, of course, the second war loan, issued in September. This issue was in the form of 12-year three per cent bonds offered to the public at 98¾ to yield 3⅛ per cent to maturity. We asked for cash subscriptions of $300,000,000 and, in addition, invited holders of dominion bonds which matured on September 1 to convert their holdings of this issue into the new war loan bonds. Subscription books for the loan opened on Monday, September 9, and remained open for two weeks. Total cash subscriptions amounted to $342,248,300 or about $42,000,000 more than was offered and allotted. Conversion subscriptions received and accepted amounted to $24,946,200.

There has been a good deal of criticism in regard to this issue and the way in which it was handled. Many of these criticisms cancel each other out: for instance, some contended that the issue went slowly because the interest yield was too low and others because the interest yield was too high. Other criticisms, although made I am sure in good faith, were based on misunderstanding, and the leader of the opposition (Mr. Hanson) has gone so far as to call the issue "a flop." I think it will be possible for me to clear up some of these misunderstandings and to demonstrate that the contention of my hon. friend has no justification.

In regard to the general organization of the campaign, which was perhaps subject to most criticism and misunderstanding, let me explain that there are two general types of loan campaign which it is possible to use. The first is the so-called professional type, which places chief reliance upon the professional machinery of investment dealers, banks and brokers, which has been developed over a period of years to handle the marketing of securities, and only secondary reliance upon the voluntary assistance of public-spirited citizens organized into national and provincial committees. The second, or so-called cooperative plan of campaign, is the type that was used in connection with the victory loans of the last war and the community chest drives of peace time. It involves the most comprehensive organization of the whole community with a vast army of amateur volunteer workers assisting the professionals in the canvass of their allotted districts, and, as well, a tremendous amount of advertising and publicity.

Last fall we gave the most careful consideration to the method of organizing for the first war loan. We studied the methods used in the successful campaigns of the closing years of the last war and, while realizing that there would come a time when they would again be necessary in the course of this war, we decided against using them for our first issue because they are more expensive, give rise to many difficulties—as, for instance, in the allotment of territory—and particularly in the early stages of the war would give the impression, unwarranted in this case, that we were under the necessity of calling up the last reserves.

The first war loan, organized on the so-called professional basis, was so outstanding a success that it would have been difficult to justify changing immediately the basis of organization and resorting in the case of the second war loan to the far more elaborate and more expensive type of organization.

Indeed, in my own opinion, the greatest difficulty which we had to overcome in our second campaign was a degree of over-confidence that had been developed in the minds of investors by the too rapid success of the first war loan. Particularly the small investors apparently felt that the loan would be subscribed almost overnight and that therefore there was no need for their assistance. That was why the loan appeared to lag in the first few days of the campaign, and it was only after we had brought home to the small investor that his help was desired and needed that we secured the splendid response which resulted in the oversubscription to which I have referred.

That oversubscription is only one indication of the success of the loan. Another is found in the number of individual subscriptions and the response of the small investor. The number of individual subscriptions amounted to the substantial total of 150,890, and, what is more important, we received no fewer than 100,746 subscriptions of $500 and less, with an average of $273 each. In view of these figures I regard the success of the loan as satisfactory, although not outstanding. The loan would have been an outstanding success if ten or fifteen per cent more had been taken by small investors and ten or fifteen per cent less by large buyers.

Furthermore, the number of small subscriptions should be considered in the light of the fact that bonds of this second war loan were not offered in $50 denominations. The fifty-dollar denomination was dropped because it was felt that persons who could afford to subscribe only for amounts of $50 or less could more appropriately purchase war savings certificates, which have been continuously on sale since May 27, and which are issued in the registered form with interest

accumulating on a compound interest basis until maturity. While the special advantages of this type of security for the small investor will be readily apparent, it does seem to me that in future war loan issues we should again issue the fifty-dollar denomination in order to allow every investor, small and large, to participate in the tremendous patriotic effort of our war loan campaigns.

Someone has suggested that because it took two weeks to sell the second war loan it was not a success. That view implies a complete misunderstanding of the desiderata involved in the sound distribution of securities. If we wish to depend on large corporations and large financial institutions to buy our bonds, perhaps a campaign of two or three days would be all that would be necessary, but no one with experience in the security business would regard this as sound or satisfactory distribution. We believe that in the interests of the public as well as of the treasury, dominion securities should be as widely distributed as possible among individual investors who intend to hold their bonds as a permanent investment. It is ridiculous to believe that this distribution can be obtained in a few days in a country like Canada where the population is scattered over so large an area. The victory loan campaigns of the last war lasted for at least two weeks, and personally I shall endeavour to see that in our future loan campaigns the books of the loan are kept open for at least this long a period in order to give an opportunity for everyone to subscribe.

There is one further point I should like to mention. In thinking of our September loan it is necessary to remember that it was the second of two public loans issued during 1940, or rather during the first nine months of 1940. From these two loans and from the sale of war savings certificates, war savings stamps and non-interest-bearing certificates we have raised during the calendar year to date a total of approximately $524,000,000 in cash from private and institutional investors other than banks. That is a record of which Canada has every reason to be proud, particularly when we remember the interest rates at which the funds have been raised and the extent to which taxes have been increased to pay for this war. To my mind there is no comparison between this record and the record of financing during the last war when 5 per cent or 5½ per cent bonds on a tax-free basis were sold, sometimes at a discount, in an era of inflationary expansion of incomes.

I come now to some of the criticisms which have been made of our financial policies and administration.

[Mr. Ilsley.]

These have been of two types: criticism of details and criticism of principle. To the first type belong the observations of the leader of the opposition, who took no exception to our policies on grounds of principle, if I understood him correctly, but took exception to their application in certain respects.

I have already replied, I think, to his criticism of the second war loan.

His next point was a more serious one. He said:

> I lay at the feet of the administration the charge of having imposed tremendously heavy and oppressive taxation by the 1940 budget.

And later:

> We are taxing the well-disposed to the limit. There is no equality of sacrifice in the 1940 budget. I place the responsibility for this squarely upon the administration.

As the additional taxes imposed by the last budget were steeply graduated and as the taxes imposed under the Excess Profits Tax Act are generally, I think universally, regarded as severe, it would almost appear that the leader of the opposition, in speaking about the "well-disposed" means the well-to-do, and that when he says there is "no equality of sacrifice," he means that the rich are called upon to sacrifice more on a percentage basis than the poor.

These charges are well founded. The well-to-do are being taxed very heavily and at higher percentage rates than those in the lower income brackets. But when we announced the principle of equality of sacrifice we made it clear that it was equality of sacrifice having regard to ability to pay.

It is interesting to find the leader of the Conservative party, which has been demanding a greater and ever greater war effort, already complaining about the tax burden which that effort involves. Make no mistake about this. If we are really honest in demanding a war effort to the utmost we all must expect to be taxed until it hurts. Taxes that can comfortably be paid are not enough.

Next, the leader of the opposition says that there has been great extravagance in government expenditures and that the treasury must step in and put a brake on foolish and extravagant expenditure. The hon. gentleman would hardly contend that he proved his case by the examples cited. However, I have no doubt that in the extensive and complicated organization that has been set up for the prosecution of our war effort all over this dominion there will be some instances where full value is not obtained for the money expended. All I can say is that my colleagues and I realize our responsibility in that regard. I agree with the opposition that nothing could

be more unfortunate than to have the impression go out among the people that the money they place in our hands, in trust, for a high cause, is not being prudently, carefully and responsibly expended. But, Mr. Speaker, as far as the Department of Finance is concerned we are eternally vigilant in that regard; and I feel sure that the same observation applies to my colleagues and to their responsible officials.

I would say to the leader of the opposition, and to every other hon. member of this house, that if he knows of any instance of misuse or overexpenditure or extravagant expenditure of public money I should be glad if he would bring it to my attention or to the attention of the head of the department concerned, because we do not intend to permit that to take place. If there have been incidents—and the ones cited by my hon. friend were of a very minor character—I think they could properly be regarded as isolated instances which must be taken as accidents, incidental to a huge undertaking carried on at the speed necessary in war time.

The leader of the opposition also suggested that in every field of war endeavour this country is far behind our sister dominion, Australia; and he asked for a comparison of our war effort with theirs. I need hardly say that I do not wish to make any invidious comparisons, particularly in view of all the different circumstances; but I might tell the hon. member that the latest information I have been able to obtain shows that Australian war expenditures for their current fiscal year, which ends June 30 next, are estimated at 177 million Australian pounds, or at current exchange rates, about $630,000,000. This is almost exactly two-thirds of the estimate I gave the house in August for our own war expenditure for the year ending March 31 next; and as the hon. gentleman himself pointed out, this is about the ratio of the population of the two countries. On this basis it would appear that the efforts of the two countries are of the same general order of magnitude. But the leader of the opposition has overlooked the very substantial assistance which Canada's greater wealth enables her to render to the United Kingdom by means of our repatriation programme, which has no counterpart in the case of Australia.

These, I think, were the main criticisms offered by the leader of the opposition. He did me the honour of addressing me rather directly in the debate and therefore I have answered him with some care, though it was not my intention to make what in any sense could be regarded as a debating speech. It is significant, I think, that the principles of our war finance policy have not been challenged by the official opposition but that criticism has been confined to detail.

With regard to the opposition led in the house by the hon. member for Rosetown-Biggar (Mr. Coldwell), it has not been possible for me to be in the house throughout the entire debate; but, so far as I know, no member of the Cooperative Commonwealth Federation has attacked our financial policy in principle. Of course the general position of that party is that the whole organization of industry in Canada is wrongly conceived and that war production should be on a socialistic basis. Probably this is not the time to debate this question. I think it is obvious, however, that a rapid increase in production and the utmost efficiency of production are necessary in time of war; and apart from all other and far more important considerations, to attempt to reorganize our commercial, industrial and financial institutions upon a principle thoroughly disliked and disapproved of by the overwhelming majority of the Canadian public would of itself have been most prejudicial to production. The dislocation of industry which would be involved in the adoption of the proposals of the Cooperative Commonwealth Federation; the dissolution of the structure of industry which is implicit in the position of the Cooperative Commonwealth Federation, certainly should be avoided at a time when we are seeking and must seek the cooperation of all Canadians in our war effort. I need hardly add that should this cooperation not be forthcoming from those in control of any plant or industry, the government has ample power to take appropriate action and will not hesitate to use it.

I now come to the criticism offered by the leader of the Social Credit group, the hon. member for Lethbridge (Mr. Blackmore). Here our principles are challenged, and I think it may be necessary for me to say something about the challenge and the arguments advanced in support of it.

The leader of the Social Credit group, after moving a subamendment reflecting on the monetary policy of the government, proceeded to say:

> Social credit proposes to use the national credit to provide money without additional debt, without additional taxation.

By the providing of money I assume he means the creation of money. Indeed, later in his speech he says:

> Let us consider the matter of created money. What an all-wise attitude was taken by some people when reference was made to the creation of money!

Thus he made it clear that for the raising of money by taxing and borrowing he would substitute the provision or creation of money by the government. I have stated already that our war expenditures are now running at the rate of almost a billion dollars a year. I ask members of the house, any hon. member, this question: Does anyone think that the creation of something like a billion dollars a year in money by the government for war purposes would not result in wild inflation? There can be only one answer to that question, unless indeed some extremely severe and comprehensive counteracting measures were taken at the same time. In his speech the hon. gentleman seemed to recognize this, because he goes into the question of counter-measures.

In his speeches in this house, of which I have listened to a good many, I think the hon. gentleman has consistently admitted the evils of inflation. There is no doubt that Canadians could be made to curtail their civilian demands and free economic resources for war demands by inflation. If prices were to be doubled to-morrow there would be no doubt about the curtailment of civilian demand that would ensue. But, as I stated in the beginning of my remarks, this would be the most unfair, the most uneconomical and the most dangerous method of war financing that could possibly be adopted. In countries where there has been a period of serious inflation the people look upon inflation as a national calamity. Fortunately we in this country have not passed through such a period and our people are in no position from experience to form an opinion of the evils of inflation. If they had suffered those evils they would dread them as they would a great plague.

The leader of the Social Credit group apparently realizes those evils and therefore enumerates counter-measures. What are they? First, he says inflation can be controlled by employing credit restriction. Needless to say he does not mention this method with approval; as a matter of fact that is what he criticizes. Next, he says another way is by taxing the people until they have no money to spend. He makes it clear that he is not in favour of taxation as a method of combating inflation. Next, he seems to advocate a sort of universal bonus to consumers, and, later in his speech, he advocates that bonuses be also paid to many, if not all, classes of producers.

Now, with respect to this matter of universal bonusing: If the government, for the purpose of keeping prices down to consumers, pays them bonuses, or, in other words, assumes and pays part of the prices they are paying for the goods they buy, this will require large expenditures on the part of the government out of the newly-created money and will increase the evil which it is designed to abate.

The more these prices rise, due to the issue of these large sums of money, the larger will be the proportion of these prices the government will have to pay, and the greater will be the amount of newly-created money the government will have to issue. The more they issue, the more prices will rise, and so on.

Mr. BLACKMORE: I wonder if the minister is making allowance for the fact I emphasized particularly, that there would be no rise in prices, provided production was adequate.

Mr. ILSLEY: I shall come to the matter of production, and our capacity to produce.

Then, the hon. gentleman mentions the method of counteracting inflation which is, in my opinion, the only alternative to taxation or borrowing out of savings which is really worthy of consideration. This is price fixing on a universal scale, which, of course, would have to be accompanied by rationing and regimentation, also on a universal scale; because it is obvious that to fix prices without limiting the amount any one person can buy will mean that only the first comers will be served. So that there would have to be rationing, along with price fixing.

Price fixing of a few commodities, indeed rationing of a few commodities, is possible and need not have a very serious effect, but price fixing and rationing on a general scale have at least two disadvantages.

In the first place, this would call for bureaucratic interference in the private affairs of all Canadian citizens. Perhaps I am speaking a little bit figuratively here, but generally speaking there would have to be a government spy in every grocery store. The Germans did this with some success, but the Germans are experts as spies.

Mr. BLACKMORE: Will my hon. friend permit a question?

Mr. ILSLEY: Let me proceed, please.

The second objection is that to issue quantities of money and then sterilize a large part of it by rendering it useless for buying purposes so that it will not come into competition with the money used by the government in its buying and thereby cause prices to rise, leaves the holder of the money no better off than if he did not have it. This is equivalent to taxation or a forced loan.

The whole habit of thought of the Canadian people, the dislike of intensive and

general government intervention in their personal transactions and private affairs, would make a universal system of price fixing and rationing, even if it were practicable in Canada, far more odious, I am satisfied, than a system of taxation and borrowing out of savings, which is the policy of this government.

Every detail of our economic life would have to be controlled by someone sitting here in Ottawa.

It is true that the nazis in Germany have gone nearly as far as this with their price fixing and rationing. But even they, with a dictatorship and with years of experience before the war, have had to combine this price fixing with very heavy war taxation and with borrowing enormous sums at interest rates higher than we pay in Canada.

Mr. BLACKMORE: But we are fixing the price of milk.

Mr. ILSLEY: I said that to a limited extent it was possible, but certainly not to the extent which would be necessary if we created money from year to year with which to carry on the war.

Furthermore, if we did succeed, by price fixing, in preventing inflation resulting from the financing of the war by creating new money, we would in the end only reach the same result that we shall reach by sounder methods; for if war production is to be the same in each case there will only be the same remainder of resources left over for civilian purposes. The new money dammed up in the public's pockets would be useless to it during the war, and after the war it would come bursting forth in a flood that would create inflation as soon as the rigid war-time price controls were once relaxed.

There is another, and, from a war point of view, more fundamental point. It is suggested that we should finance by issuing new money so that we can bring all useful resources into production and avoid curtailing civilian demand. But if we are really to put forth a maximum effort in the war we must not only bring all our resources into use but, in addition, restrict as far as possible civilian use of all those resources which can be used for war. As I emphasized in the budget speech in the first week of war, it is necessary to increase employment and production to the maximum; but that is only part of our task; we must also divert all we can from civilian to war use. We should certainly not be doing that if we refrained from borrowing and taxing.

In fact very great increases in employment and production have been achieved since the war began. The index of industrial production in September was at 167 compared with 127 immediately before the outbreak of war. The index of employment at the beginning of October was at a new record—136·2. It indicated a total increase of wage earners in employment, as compared with the month preceding the outbreak of war, of about 350,000 persons. This does not include about 200,000 men added to our armed forces since war began.

Consequently, the total number of persons in employment and in the services has increased by something like 550,000 since the outbreak of war. In very few industries has there been any decrease of employment; highway construction is the only significant item to show a decrease and that is due mainly to the disappearance of what was really a relief work.

From an examination of these and other figures it seems clear that so far our war activities, both in the services and in production, have not required any significant reduction of civilian activity or expenditure, though, of course, many individuals have had to restrict their consumption. In fact the figures for retail sales, and production and imports of consumers' goods, indicate that total civilian consumption, particularly of luxury goods, has increased significantly during the war, even when allowance is made for somewhat higher prices. This remarkable economic expansion which we have had in the last fifteen months has not been accompanied by any significant general increase in prices, except the increase which occurred in the early weeks of the war consequent upon the changes in exchange rates and ocean freights and insurance.

This brings me to a consideration of the prospects which we now face in the financial and economic sphere. As the military and supply programmes develop they will require an increasing number of men and amount of materials. Analyses are at present being made of the various elements in these programmes in order to see just what they do require in terms of labour and materials; for those, and not money, are the limiting factors. In fact, one of the principal reasons for setting up the war-time requirements board, which the Minister of Munitions and Supply (Mr. Howe) described to you yesterday, was to assist in the analysis of these physical requirements and the implications which they involve for civilian consumption. It is on the basis of such information that we must decide what we can accomplish.

It is certain, however, that the programmes upon which we have already embarked will create many scarcities and, before many months have passed, carry us to the stage

of full employment of our labour power and full utilization of most of our economic resources.

We still have some unemployed labour despite the great increase in employment which I have just mentioned. We still have some excess capacity in a number of our industries. Furthermore, we have many people employed in industries not essential to the war programme and we can, if necessary, shift many tens of thousands of people from agriculture and trade into war industries, or into other industries to replace people needed in war industries. In other words, we are now at a stage where we can still expand total production by a careful use of those resources which are unemployed or poorly employed. War production can and will be expanded even more than this by transferring resources from civilian purposes to war use. But all this expansion and transfer requires careful management and takes time. In particular, it requires the training of labour to fit it for new tasks, and the most efficient use of skilled labour. Measures have been and are being taken to ensure that this necessary training and efficient use of labour are carried out.

Facing the prospect of substantially increased requirements for war production under these conditions, I think it is higly essential that all of us should economize all we can and not spend our incomes on things which compete for labour and materials with war production. We must save and invest our savings either immediately in war savings certificates or later in next year's war loan.

I quite realize that the view is held that it is not wise to ask people to reduce their expenditures while there is still any unemployment or any room for expansion of production. But, as I have already stated, we are now running into shortages more and more frequently. The expanding war demand will continue to absorb the existing unemployed. The civilian demand will also be growing because of increased employment and earnings in war industries. Therefore, even if we do increase our savings, employment and production will continue to increase rapidly.

We have recently been giving consideration to our programme of financing for the next twelve months. Two decisions have had to be reached. The first relates to the character of the organization which should be set up on the next occasion when a large war loan is being sold to the public. The second decision relates to the time of issue of such a loan. It is our belief that the time has now arrived when we must resort to the cooperative type of organization to which I have already referred. The amount which we will need to raise will require the creation of a broad national organization to ensure that all persons who are financially able to subscribe for war bonds shall be directly approached. As a people, we must develop a full understanding of our joint responsibility for the results we wish to obtain. I can say that the government will do its utmost to ensure that the organization built up will be equal to its task. I am certain that we shall receive from all quarters the cooperation and generous assistance without which success cannot be obtained.

Turning now to the question of the timing of the next loan, I believe that there is a great deal to be said for not undertaking a public appeal until the summer of 1941. By that time the budget will have been brought down, the great bulk of 1940 income tax payments will have been made, and individuals as well as institutions will be in a good position to know how 1941 will turn out for them from a financial point of view. If we were to come to the public with a loan in the early part of 1941, potential investors would still be faced with a number of difficulties and uncertainties. Furthermore, the type of comprehensive community organization which it is proposed to use is of such a character as to make it undesirable and indeed practically impossible to have two such campaigns following closely upon each other. This type of organization is cumbersome and requires a great deal of preliminary preparation and planning, and from the point of view of cost it is more easy to justify if the size of the loan is substantial.

Our decision not to issue the third war loan until next summer will make it necessary to undertake some short-term financing shortly after the beginning of the new year. It will be recalled that in the budget speech delivered on September 12, 1939, I said that our first borrowing operation would be of a short-term character and would be accompanied by a small and carefully regulated amount of credit expansion. I stated that expansion of credit, while appropriate during the early stages of war, should not be continued when employment and production were approaching their limits. I have not had occasion to change my basic views on this subject, but I believe that the tax programme of the government has been and will continue to be such that some additional financing of a short-term character, accompanied by some increase in total bank deposits, will not under the circumstances have inflationary results, and will, I believe, avoid undue stringency in the monetary field at a time when the working capital requirements of industry are increasing because of expanding business activity due to war orders. In forming these views, I have given some

weight to the fact that uncertainties bred of war and the necessity of building up substantial balances in anticipation of tax payments have made many people somewhat reluctant to deplete their bank balances, and anxious to keep in a good liquid position.

In deciding to undertake some additional short-term financing, the government also had in mind the fact that the major portion of the new money which will have to be borrowed prior to next summer will be required for the activities of the foreign exchange control board. It has been decided that the board will finance the repatriation programme to a greater extent than it has in the past, and additional funds will be necessary for this purpose. You will recall that the process of repatriation involves the temporary accumulation of sterling balances by the foreign exchange control board, and these balances are later used to acquire Canadian securities held in the United Kingdom.

I believe that these decisions in regard to our financing programme will commend themselves to the financial public as well as the general public, and will enable the government and our people to make adequate preparations for assuring that the third war loan will be a resounding success. It has been stated by several ministers in this house in recent months that, in the words of the Prime Minister:

> The only limits the government is prepared to place upon Canada's war effort are those imposed by the extent of our resources both human and material and by our capacity for sacrifice.

And that:

> We will make financially possible the utmost effort the people of Canada are physically and morally capable of making.

This does not mean, however, that we shall have no financial problems to face. In fact it means quite the reverse—that we are going ahead no matter what financial problems may be created by the need to finance the enormous military and supply expenditures. It is going to require the most careful attention to both the physical and the financial aspects of the programme. On the one hand we must determine what is physically possible and we must make sure that all our physical resources, our man-power, capital facilities and materials, are used to the fullest extent possible and as quickly as possible. On the other hand, it requires the most skilful and thorough financial management in order to assure that these physical resources are made available for carrying out the war programme quickly and efficiently.

This policy implies that our financial problem will be one of tremendous magnitude—that we must be prepared to raise very large sums of money in one way or another and divert ever-increasing amounts of our national income into the treasury. It will be no easy task. It will require the utmost skill, the most energetic direction and hard, unremitting work on the part of the government and people alike, but I believe that we can do by voluntary action as much as the enemy is doing by the most rigid compulsion. I have faith in our ability to match and surpass their effort once our people are aroused.

When we came together here in May last, Great Britain was meeting with reverses in Norway, the low countries were being overrun by the enemy, and our ally France was on the brink of the disaster which overtook her shortly afterwards. The Canadian people were willing to go to any length to aid Britain. Their private interests had second place. They were ready for any sacrifice. An invasion of England was believed to be imminent. The existence of the empire was in peril. Sectionalism and selfishness, the bane of democracy, perhaps of every form of government, were subordinated to patriotism. Burdens, whether tax burdens or others, were accepted with little complaint. Our main, if not our sole desire, was to help to win the war.

To-day, only a few months later, we are reassured, too much so. We feel, vaguely, that the important things in our lives are at stake, but we are not so sure that they are in jeopardy. Instead of a consciousness every waking moment of the deadly peril of a powerful enemy, many of us have a feeling that the battle of Britain is won, and that all is well. This optimism is excessive and dangerous. The war is not won. A far closer engagement with the enemy will be necessary long before we achieve victory. Not only must our fighting forces engage his, we must engage him in our civilian activities—by the making of sacrifices, the forgoing of pleasures, the devotion of our substance to the common cause—in these ways must all of us engage the enemy.

To-day there is heroism in the air, on the sea, in the deserts of Africa—and there is heroism among the common people of the motherland. Let their example be our inspiration. Civilian Canada has its responsibilities, easier to assume but no less important than those of civilian Britain. Let us assume those responsibilities with the same unselfishness and courage and determination.

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, at the outset may I offer a word

of encouragement to the Minister of Finance (Mr. Ilsley) who has just taken his seat. Although he is one of the youngest members of the ministry, perhaps no member of the cabinet except the Prime Minister (Mr. Mackenzie King) is bearing a heavier burden at this time, and I think I may speak with the endorsation of the whole house when I say to him that he has our admiration, our respect and our best wishes in carrying on his very arduous work.

When we private members left Ottawa early in August, the battle of France had been lost and the battle of Britain had not yet begun. Every member felt grave concern. I think that the war has greatly reduced partisanship in this house; it has made each one of us a greater patriot. We all felt grave concern at that time about the outcome of the battle of Britain. We felt that the survival of Canada as a nation, in fact the survival of our Christian civilization, depended on that battle. To-day, only three and a half months later, there is a different feeling in the corridors of this house and across the country, because, while the battle of Britain may not have been won, the first stages of that battle have been won, and won by a few thousand young empire knights of the air, by the sturdiness of our empire sailors, and above all, won by the courage and the determination and—to sum it up—by the character of the ordinary men, women and children of Great Britain.

What an inspiration that is to us! What pride we feel at being their fellow-citizens of the British commonwealth! And yet, what a challenge to Canadians to throw our all into this struggle! I believe that the Canadian people are not only willing but are eager to do just that. But they look to the Canadian government for leadership, and they look to parliament, to the private members of this house, to make dead sure that the government carries out the promise contained in the speech from the throne, that this war will be prosecuted to the utmost of Canada's strength. The private member can do his part only by making suggestions and by pointing out errors. That is what I propose to do to-day, to the end that our war effort may be improved.

First of all may I suggest that the ministry adopt the attitude of welcoming criticisms and suggestions. The Prime Minister did that a year ago at the war session: he said, "I ask you all to give us suggestions and constructive criticism." But my impression of this session is that the ministry are now inclined to be resentful of suggestions. Perhaps that is also their attitude towards their own supporters. Perhaps there is reason for it in the fact that they are under terrific pressure, working long hours. They are tired out; I do not blame them for being a little quick on the trigger. But I urge them to remember that they as the leaders of Canada must never be satisfied that all is being done which can be done, that they must always try to do more. As the hon. member for Provencher (Mr. Jutras) said so fitly some days ago, they must attempt the impossible; because in this crisis everything we hold dear is at stake,—our freedom, our religion, the future of our children, and our very lives. How I wish that every German bomb which falls on Great Britain could din into our ears and imprint on our minds the words, "Hurry, Canada, hurry!"

Secondly, I suggest that the ministry emphasize to the Canadian people the difficulties and the dangers of the situation rather than the accomplishments of the government. Ask for help from our people. If you ask for that help you will get it. But it seems to me, although I may be influenced by the bias from which few of us can escape, that the ministry have been at great pains throughout this war period to justify their every move and to justify their every failure to move. They have continually talked about our war effort being "ahead of schedule," when the whole country knows that the schedule was totally inadequate. Government information bureaux have poured out printed matter to the same effect, and even in the interesting essays which have been read by ministers at the present session that note has been uppermost. The result has been, and I say this from many observations in western Canada, that the people are adopting the attitude: "Oh well, everything is being done that can be done; why should we worry?"

Our chief of staff said recently in an address that the thirty-day training plan had been a great help in arousing young Canadians to a sense of national obligation. Such would not have been necessary if the ministry had adopted another attitude. Their attitude constitutes a grave menace to Canada, because our people do not realize the dangers of the situation. For that reason I would ask ministers to think very deeply over the proposed amendment to the address in reply to the speech from the throne, and particularly the first paragraph, which says:

. . . this house regrets that the government has continued to soothe the Canadian people

I emphasize that word, "soothe."

—regarding the war effort of the nation, thereby creating a false sense of security when a clear-cut call to action is desperately needed.

The Right Hon. Winston Churchill has followed the opposite course. He said, among other things, in his first speech as Prime Minister to the British House of Commons, on May 13 of this year:

I have nothing to offer but blood, toil, tears and sweat. We have before us an ordeal of the most grievous kind. We have before us many, many months of struggle and suffering. You ask, what is our aim? I can answer in one word: It is victory. Victory at all costs, victory in spite of all terrors, victory, however long and hard the road may be, for without victory there is no survival! Let that be realized—no survival for the British empire, no survival for all that the British empire has stood for, no survival for the urge, the impulse of the ages, that mankind shall move forward towards his goal.

He knows his people. He knows that they can "take" bad news, that they will rise to the challenge of the difficult and seemingly impossible task. The Canadian people, Mr. Speaker, will do the same. But so far this government has given them little chance to do so.

The Minister of Finance has just explained clearly the necessity for the government to do certain things in which it will obviously require great help from the Canadian people. For example, our people are being asked not to purchase so many luxuries. There will probably be restrictions, perhaps on gasoline or some other such commodity, perhaps on liquor—and, incidentally, I do not think the Canadian people can drink their way to victory in this war; I believe a great deal of money could be saved and a great deal of human energy conserved if restrictions were placed on liquor. The government is also faced with the raising of war loans, selling war savings certificates, recruiting defence forces, finding men and women for industry, and organizing air raid precautions. These are some of the problems facing the ministry. Let them appreciate the fact that Canada is really organized on a community basis, divided into municipal or metropolitan areas in which there are highly organized and highly efficient municipal governments, service clubs, lodges, unions, religious associations, cooperatives, professional and business associations, sports clubs and many others made up of the leaders in the everyday life of our people. Incidentally may I here contrast the strength of this type of organization with which we are blest in Canada with the nazi party in Germany or the fascist party in Italy, the only organizations allowed in their respective countries. There is no comparison; and in that difference there lies one very good reason why the democracies are going to win this war.

I suggest to the ministry that they go to these organizations direct. Tell them what is wanted and ask them to help, and the organizations will respond. They will prevent hysteria and will get action. But what is the situation now? They are spectators against their wish. Many of them have made offers of help. Those offers are on file in Ottawa but nothing has been done about them. These people are waiting for directions from the government, and surely it is the duty of the Department of National War Services to see that organizations of this type are used.

May I quote from the order in council setting up the divisions of that new department. Paragraph (c) provides for a division to be known as:

. . . the division of voluntary services to administer the War Charities Act, to coordinate, organize and utilize the voluntary effort of the Canadian people, to organize and assist organizations engaged in supporting the war effort of the nation.

These are the powers that are given. This was printed on September 18, but, so far as I know, nothing further has been done. I hear an hon. member mentioning that I left out the women's associations. They are very important and I hasten to add them to the list.

Further, the government should decide upon and announce some definite policy on recruiting. They have never done so. Recruiting has been by fits and starts from the outset. Last fall on the outbreak of war the plan was to recruit for home service only, but this was afterwards changed and there was recruiting for overseas. A certain number of men were taken on the strength, and then recruiting was shut down. This spring came the crisis, the fall of France, and again recruiting was thrown open, but on August 15 of this year again it was stopped. In the meanwhile the National Resources Mobilization Act had been passed and we were told that thousands of young men, trainees, were to be given training. We understood that these young men would be encouraged to volunteer for the Canadian active service force at the completion of their training. In other words, here would be the means whereby Canada would build up a full-time fighting force. Mind you, these young men are the very men whom this government deemed to be best able to serve the country, men of the ages called up at this time; yet that plan was not carried out. Recruiting is still closed. The first group of trainees finished their course and instead of being given a chance to go into the forces, which they were only too anxious to do, they were sent back home to civilian life.

This uncertainty, this indecision, this failure to recruit cannot be because no more men

will be required. I have only to quote again from a statement of the chief of staff, Major-General Crerar. He is reported in a press dispatch from Ottawa on October 23 as having said, in effect:

Canada will be sending more army divisions overseas next year when Great Britain takes the offensive against German land forces in continental Europe. This is the implication of the speech here this afternoon by Major-General Crerar, chief of the general staff. General Crerar is both in a position to know and also to speak with a note of exceptional authority.

This was confirmed by the Minister of National Defence (Mr. Ralston), who, speaking in the house last Friday, said:

During this phase—

That is, during the year 1941.

—we must continue to build up our strength against the day when we shall take the offensive with all arms and services.

And the Minister of National War Services (Mr. Gardiner) made this statement on Thursday last:

We must have the necessary trained man-power to handle all the instruments of war and put them into operation against Hitler on the continent.

According to press reports, on November 18 he said in a broadcast:

Remember that in one year from now a man will be needed to use every gun, operate every plane and drive every truck made, and in the front line of battle. There is no reason for making these machines unless we provide for their being operated.

This failure to recruit cannot be because we already have adequate troops to defend Canada; we have not. We have one division on the Atlantic coast and it is hoped that there will be one division on the Pacific, but the latter division, according to the Minister of National Defence, is only now in the process of organization.

Certainly young Canadians who are to be called on to go overseas or to serve in Canada should be taken in quickly. The time for training is none too long if this great offensive is to come, as we have been warned, and adequate time for training means better soldiers, which means that the soldiers will have a better chance for their lives.

The ministry should remember that unlike Britain they are relying upon volunteers to build our full-time fighting forces. Before the average man will volunteer he must see the need. And he must have a certain amount of enthusiasm. He must have time to arrange his affairs and time to arrange for the persons who are dependent on him. In their recruiting plans it seems to me the ministry do not consider the human element at all. I suggest that they announce the approximate number of troops that are to be raised say within the next year. Australia and New Zealand do that; Great Britain lets her people know the number of men that are to be taken on, why cannot Canada do the same? Then let us take on a certain number of recruits, say weekly, and certainly let us give every trainee a chance to enlist on the completion of his training.

There are now women's corps established in several centres in Canada. We have two in Vancouver, training for many months, and most efficient. Why can they not be recognized and made part of the forces? I cannot praise too highly their initiative and spirit, their determination and their efficiency. They are training to take on clerical work, the driving of ambulances and motor vehicles of various kinds; for first aid, air raid protection, nursing and dietetic work. Why can they not be used in the forces of Canada? It seems to me there must be antiques or old fogies in our defence headquarters even yet, or there may even be some in the cabinet, when consistently these women are refused recognition.

May I further ask the government to decide upon and announce a policy on the use of man-power? To-day there seems to be a tug of war between the fighting forces on the one side and industry on the other. And that tug of war seems also to be in the cabinet. I may be wrong, but I have visions of the Minister of National War Services (Mr. Gardiner) as the anchor man on the side of the fighting forces, and the Minister of Munitions and Supply (Mr. Howe) or the Minister of Labour (Mr. McLarty) as the anchor man on the side of industry. While the Minister of National War Services may not be very bulky I think the majority of members would put their money on him in this tug of war. From the national registration the ministry have a survey of the man-power and woman-power of Canada. What does it show? Why can they not tell the house what it shows? Why do they not use that survey? Why have they no plans for using the man-power and woman-power of Canada?

Steps should be taken to recondition and use the older men, men who were laid off during the depression. I have here a letter from an ex-railway mechanic in Vancouver, in which he says that in that city alone there are many men who have served as machinists on one or other of the two railways; when the depression came they were let out, and since then they have been on part time only. Why cannot men of this type be put back to work to release some of the

younger men for war service? There is a great field among the middle-aged people in Canada. Then there is a great field among the unemployed. The Minister of Labour himself was quoted on October 30 as using these words:

> Every unemployed man in Canada must be trained to take a place in industry. . . . There are 26,000 a year now being trained. We can increase that figure and we will.

Those are fine sentiments; that is a splendid plan. But what are the facts? Just a week ago in Vancouver we had newspaper reports to the effect that there are 500 single unemployed back in that city for the winter. Many of these men have appeared in the police court charged with vagrancy, and numbers of them have been sent to gaol because they have no means of support. Here is the impression of the young newspaper reporter sitting in at those trials:

> There were all sorts and conditions of men in those two lines and all they owned were the clothes they stood up in. One who said he had a job to go to and four who said they could look after themselves for another night were allowed to go. The rest were herded back to the cells.

That kind of thing is inexcusable in Canada under present conditions. Men of that type should be given a chance to be reconditioned and placed in a job. That should be done by the Department of Labour here at Ottawa.

Then there are the ex-soldiers discharged from the present Canadian army. I was surprised to learn the other day that over 15,000 men had been discharged from the Canadian forces. Surely those men could be reconditioned and placed at work. It seems to me that one of the most important statements that should be placed before the house at this time is a statement by the Minister of Labour as to what he proposes to do about using the man-power of this country.

I have a suggestion also for the Minister of Munitions and Supply. He told this house yesterday that hundreds of millions of dollars were being invested in new plants and plant extensions. He was allowed to place certain figures on *Hansard,* which I thought were going to show in which provinces those plants were situated; however the figures turned out to be something else. But there can be no dispute that practically all those plants and plant extensions are in Ontario and Quebec, the reason given being that there is hydro-electric power available in those provinces. This means an unfair and unhealthy concentration of wealth in the central provinces of Canada. It means a great increase in employment in these provinces; it means that the young men and young women of the other provinces will in many instances have to migrate to central Canada to get jobs. That is already happening. It means that families will be broken up, and it means lopsided development of industry. Many of these plants will continue in operation after the war, so that that process will carry on. I plead with the government to change that policy at once, to scatter these plants across Canada. There may not be much trouble now while the war is on; it may be overshadowed by more important issues, but hon. members from the other seven provinces know that if this thing goes on it will mean grave trouble in Canada for the next fifty or a hundred years.

Then as to the treatment of the fighting forces: I said a few moments ago that 15,000 men have been discharged. I believe they are discharged without any gratuity; in some cases they are given a small clothing allowance. A very few will get pensions. They are struck off the strength just as quickly as possible. Some of these men are on relief today. No rehabilitation plan has been put into effect by this government. The Prime Minister was quoted in the press two days ago as saying:

> Plans for the "adequate" rehabilitation of soldiers, sailors and airmen discharged from overseas service are being formulated by the dominion government.

Apparently nothing is ready yet. Rehabilitation plans should be in effect now. We could be experimenting, we could be improving, building up efficient schemes for getting these men back on their feet. It must not be delayed until after the war. Here we have almost the equivalent of an army division discharged from the Canadian active service force already. These men should be looked after without further delay. If they cannot be absorbed in industry, why cannot the government go ahead with the trans-Canada highway and other projects of that type, in which many of them could find employment?

Also I think the time has come, Mr. Speaker, when a man enlisting in the forces should receive an allowance for each child. At the present time, as I understand it, a man with more than two children receives no allowance for any beyond that number. The government is quite willing that these men should enlist; therefore it should see that they receive an allowance for each of their children.

The question of transportation on leave has been dealt with by many hon. members, and I would urge upon the government that some action be taken to meet this situation. Public opinion in Canada is in favour of giving these men some form of free transportation.

of making it possible for them to get home for their leaves, certainly their embarkation leave and I think, also, for their six months' leave. Why, we had units sent down to Nova Scotia from the Pacific coast. Some of the men in those units had not had embarkation leave, and they were moved out of our province on twenty-four hours' notice. Others are now entitled to their six months' leave, but it will be absolutely impossible for them to get back home if they have to pay even single fare. The same condition applies to the men in Newfoundland. Some of them now have the promise of leave in order to come back to central Canada, but that costs a great deal of money. These men will have to stay in Newfoundland unless some provision is made for them. I should like to quote briefly from a letter received from half a dozen of these men now in Newfoundland:

> This furlough is particularly important to us as we are not entitled to another one until December 1941 and just where we shall be then no one knows.

The Minister of Finance might very well soften his heart and agree to some provision being made to pay the transportation costs of these men.

Further I should like to say a word about winter accommodation. The other day the Minister of National Defence (Mr. Ralston) said that Canada had winter accommodation for 150,000 men. Yet in the public press, in newspapers supporting this government, such as the Vancouver *Sun*, we see reports denouncing conditions in the camp at Nanaimo. I quote the headlines only:

> Needless Suffering at Nanaimo Camp.
> Construction of Huts Delayed While Men Exist in Damp and Soggy Bell Tents—Excellent Site but Rains Create Misery.

That is from the Vancouver *Sun* of November 14, 1940. This condition was drawn to the attention of the Minister of National Defence, who, to his credit, took immediate steps to have it rectified. But it shows that somewhere on the staff there is a lack of interest in the welfare of these men, and because of that lack of interest men become sick, they are not fit and do not make as efficient soldiers as otherwise they would be. There is no excuse for putting hundreds of men into tents at this time of year, as was done at Nanaimo.

I might draw to the attention of the government many other things in connection with the army, but I hesitate to bring up a great many small matters. However, I should like to mention the plight of the Canadian people who are living on the ragged edge, such as the old age pensioners and the recipients of the war veterans' allowance. The cost of living is rising; according to the latest figures it is going up steadily. In September of last year, under the new index, it stood at 100.8. As of October 1, 1940 it stood at 107, and I believe it has been rising steadily since then. Relief allowances are being increased in some of our cities, but the people who are on very small fixed incomes are caught in a trap, and some provision must be made for them. The situation is very well set out in a letter I received this week from a recipient of the war veterans' allowance in Vancouver. He says:

> —there are hardly any of the necessities that have not been hopped up 15 to 20 per cent in the past two months.

Then he goes on:

> This is a poor time for anyone to ask for an addition to the strain that the country is undergoing but it is necessary that we ask . . . sufficient for a bare existence. The suggestion is that the government without amending any existing laws grant us a field allowance of 10 cents per day to be discontinued when conditions warrant . . . and we regret very much the necessity of asking for it.

That is a reasonable plea, and I submit to the Prime Minister that something must be done to meet this condition.

The Canadian people are looking to the ministry and to parliament for leadership in improving conditions here at home. They want the methods of carrying on the life of Canada changed to such an extent that far more value will be placed on people; that there will be a chance for everyone to work who is willing to work, and that there will be reasonable security for our people. Whenever I expressed those sentiments in Vancouver during the recess they were most heartily approved, no matter what the type of audience, and I believe that is the will of the Canadian people at this time. We find the same thoughts expressed in Great Britain. Yesterday Mr. Bevin, who has given such wonderful leadership there, was quoted in the press as having said that his aim is social security, and that something should be done about it even during the war. The report continues:

> "Begin now," he urged. "That doesn't mean that all profit and surpluses must be wiped out, but it means that the whole economic life shall be devoted to give security, not to a small middle class but to the comunity as a whole."

I quote also from an editorial appearing in the *Illustrated London News* of September 7, 1940. These people are being bombed night and day, yet they are trying to figure out ways to improve the general conditions of life in their country. This editorial states:

> . . . the ordinary Englishman (of all classes) wants a home which he can call his own and

which no other man or men can take from him, security in his employment, pride in his work, a decent chance for his children to do better than himself, and, in at any rate a very large number of cases, a bit of land to sweat and ruminate over and in which to grow flowers and vegetables. He also wants the right, again within reason, to criticize his employers and his rulers and to change his job and his political allegiance as he thinks fit.

I think the average Canadian wants the same thing; in fact I hope many Canadians wish to change their political allegiance. But this new world, which many seem to think will begin after the war, really began in September of last year. The ministry should arrange that the house give consideration to just what is to be done about it, when we meet after the new year.

In conclusion, Mr. Speaker, may I say that we in this nineteenth parliament are privileged to lead a young nation, strong and brave; standing firmly in a just cause; a young nation blessed with the best friends any nation could have, her sister nations of the British commonwealth and our great and friendly neighbour the United States; a young nation that is steadily growing in importance in world affairs and steadily assuming more and more responsibility. It is true that never before have the Canadian people had to face such challenging problems, but it is also true that never before have they had such an opportunity to revise their national plans, to remedy defects and to adopt far-reaching policies. In this nineteenth parliament we have an opportunity to mould a nation—our own nation, Canada. I believe if the ministry will only put this parliament to work, the spirit of hon. members is such that we can leave a record of service which will prove to have been unequalled in the history of Canada.

Mr. L. PHILIPPE PICARD (Bellechasse): Mr. Speaker, I had not intended to take part in this debate. But some of my friends, and particularly my English-speaking friends, have asked me why more members from the province of Quebec have not expressed their views respecting the problems of the day. In fact I believe the hon. member for Lethbridge (Mr. Blackmore) said that somebody should speak on behalf of the eastern farmers. I admit I am not yet qualified to speak for farmers. I will tell my hon. friend, however, that before this parliament has run its course I shall have done my very best to learn the eastern farmers' problems, and I hope by that time to be able to express the views held by farmers, particularly in the light of the fact that I represent an entirely rural constituency adjoining the city of Quebec.

I suppose my first and most important duty would be to congratulate those to whom I believe congratulations should go. May I begin by extending my congratulations to the mover (Mr. Claxton) and the seconder (Mr. Jutras) of the address in reply, each of whom performed his task perfectly. Both have shown, by their understanding of national problems, that Canada can be made into a great country, a country where both the east and the west, the people of both French and English descent, may meet on common ground to work for the greatness and unity of Canada.

As a French-speaking member I believe my congratulations should go, next, to the hon. member for Selkirk (Mr. Thorson), the hon. member for St. Lawrence-St. George (Mr. Claxton) and the hon. member for Nanaimo (Mr. Chambers), who, in the course of their speeches, showed they understood the views of the French-speaking people. They demonstrated that they understand our mentality, and were good enough to place their views before the house.

Above all, however, I believe our congratulations should go to the Prime Minister (Mr. Mackenzie King). First I would congratulate him upon the forceful manner in which he answered the critics of his administration, and for the splendid mastery of the situation he has always maintained. Then he is to be congratulated upon the part he has played in connection with the formation of the joint defence board, an organization for which he worked diligently and which, to the great advantage not only of Canada but of Great Britain, he obtained.

In this connection I would like to echo the words of the hon. member for Selkirk who spoke to the house a few days ago. On that occasion he said:

> . . . but no one will deny him his fair measure of praise for the splendid part that he has played in promoting friendly relations between Canada and our great neighbour. We are deeply grateful to the United States for the assistance that it has given and for the assistance that it is still to give, and we are thankful—

I repeat the words of the hon. member for Selkirk, and make them my own.

> —I think I can say this in the name of the whole Canadian people—that we have in the present Prime Minister a leader who can be relied upon to preserve and promote the strong and growing feeling of friendliness and common purpose which exists between our country and our great neighbour.

I believe, too, that the Prime Minister might well be congratulated upon the speech from the throne, which is in effect his responsibility. He is to be commended because of its conciseness, and yet by the way in which it has implied all that would be done by the country, under the guidance of the government, in the pursuit of the war.

He is to be congratulated, too, upon his action in connection with the report of the commission on dominion-provincial relations, commonly known as the Sirois report. I believe his promptness in announcing to the house the summoning of a provincial conference will please the whole country, and is evidence of the fact that when he decided upon the formation of the commission he had it in mind to take action on their findings and to study carefully any suggestions which might come from it and which would improve the administration of the country's affairs. I believe congratulations might be extended to the Minister of National War Services (Mr. Gardiner) upon his report respecting his mission to England, the description of his trip in general and his report as to conditions in the old country.

We might make special note, too, of the speeches delivered by the ministers who have taken part in the debate. I refer to the Minister of National Defence (Mr. Ralston), the Minister of National Defence for Air (Mr. Power), the Minister of National Defence for Naval Affairs (Mr. Macdonald), the Minister of Munitions and Supply (Mr. Howe) and the Minister of Finance (Mr. Ilsley). They are to be complimented upon the splendid exposé they have given of Canada's war effort, and the way in which they have dispelled any doubt which might have existed in the minds of some people—doubts which have developed through false and alarming pronouncements of the leader of the opposition (Mr. Hanson) and his own Tory press.

During the last week-end, Mr. Speaker, I visited my constituency. While there I met an old farmer friend, one who has always been a friend of the party, but whose acquaintance I have enjoyed for only a little more than a year. He is a witty old man, and has always kept himself well informed on public matters. He has reared many children, who work on his farm, and he now lives more or less retired. In a way which I thought was clever he expressed to me his wonder, and that of his friends, as to why the leader of the opposition had wanted a session at this time—a time when everything seemed to be going well concerning our war effort. As he expressed it to me, everybody seemed to be satisfied with the possible exception of the Montreal *Gazette* and the leader of the opposition. "At first," he said, "we wondered why he wanted a session of parliament, but, now that he has spoken, we believe we understand why. The hon. gentleman wanted to show himself a true patriot; apparently he wanted to cooperate with the government, and indeed he has done so quite handsomely. He showed by his speech that he had very little to say, and very little constructive criticism to offer. He has helped to prove that the people of this country had placed their confidence in the right place when they elected the present Prime Minister and sent a Liberal government to Ottawa, rather than one formed by the opposition party; indeed, that they had made a proper choice."

Mr. GRAYDON: The hon. member has based his argument on the wrong premises.

Mr. PICARD: No; I believe the old man was wise in his comment that the absence of constructive criticism in the speech of the leader of the opposition indicates that the country has not made a mistake in electing the present Prime Minister.

Some few days ago the hon. member for Souris (Mr. Ross) said that the war was being waged as a Liberal war, and that patronage was rampant. I am convinced that the war is not a Liberal war. Rather it is a Canadian war, and the people of Canada have so decided. They made their decision at an election which took place after, not before, the war began. Had the election been held before the war, and had the government appealed to the people on something other than the war issue, the allegation of the hon. member for Souris might have had some weight. The truth is, however, that when the government went to the country the war had been in progress for six months, and the people of Canada were given the opportunity to choose between the Liberal party and the best brains Mr. Manion could offer. They have chosen the best brains—but not those of Mr. Manion. They have chosen a Liberal government, a government which is showing now that it has the best brains available to carry on a war and at the same time to maintain unity within the country. The only ones who seem to object are those who make up that remnant of the Conservative party in this house, members who are all dignified and most charming to meet. There are also some members of the ultra-imperialistic press, like the Montreal *Gazette,* and a few others.

Mr. GRAYDON: Is the hon. member opposed to imperialism?

Mr. PICARD: I am opposed to that imperialism which places the empire above Canada. I am for Canada first; I place Canada above all. Canada should play her part in the empire, but we should not lose sight of the interests of Canada.

The hon. member for Souris referred to patronage. I think patronage can be judged by the way the public contracts are awarded and by the way in which employment is given in connection with government contracts and government enterprises. Speaking of that part of the country that I know best, Quebec, I must state that my hon. friend seems to know very little of what has happened there. As a Liberal member of parliament I am rather ashamed, but I must admit that half, if not more government contracts have gone to Conservative firms. This is due to the fact that the government follows a policy of granting contracts to the lowest bidders. I know that some of my friends are far from satisfied with this state of affairs, but I think it answers the objections of the hon. member. If he could be present in the office of a Liberal member in the city of Quebec on Saturday morning he would hear quite a different story. He would hear Liberal supporters complaining that they cannot get work in the arsenal at Quebec or elsewhere. It is easy to make complaints, but I think if we examine closely the way in which these contracts have been dealt with we will find that it is quite different from what the hon. member stated.

Some hon. members have referred to the scarcity of trained men and women for munitions work. I do not want to deal with the matter at any length, but I contend that the blame for this condition might be laid at the door of Canadian industry. They have never bothered to form technicians and never properly planned their work in order to avoid periods of slackness and periods of overtime work in order to make available a continuous supply of skilled and trained people. They have never followed the practice adopted by many large United States corporations to have schools to prepare skilled labourers. We are suffering now from the lack of prevision of the captains of industry. In 1929 we were shown the imprevision of the financiers, but throughout crisis has continued the imprevision of great industrialists. Those who sometimes object to the control which the government is taking over industry would not have rendered it necessary had they seen fit to act differently in the past.

This matter of trained men brings up a point of concern to my own district. The rural electors in the districts around Quebec have been left out when employment has been given at Valcartier and the Quebec arsenal. Many of the rural people have worked in factories and quite often they are more skilled than the unemployed of the cities who have been given work. This may be a good policy in order to deal with unemployment, but I contend that those who bear an equal burden of the taxation should be given a chance to work. I submit this to the ministers at large of the Department of National Defence and ask them to look into the matter and reconsider their first decision.

Some members have referred to the necessity for economy in the ordinary expenditures of the government. I agree that this should be done, but on the other hand there is a point below which we should not go. For some time I was connected with one of the departments of the government and I can remember how the heads of the different branches used to prepare their estimates. Those estimates were generally cut by ten to fifteen per cent by the treasury board, and yet the original amounts were considered as being necessary to carry on the administration of the department. It is easy to understand that the Department of Justice and the Royal Canadian Mounted Police should have their estimates increased rather than lowered due to the special work that is being carried on. The same thing applies to the Department of Agriculture. I have received many letters from my constituents complaining that demonstration farms have been closed. This has been done because of the policy of retrenchment and economy. I wonder if we are serving the country as it should be served when we do not give our farmers the help they used to get, the help they are entitled to get in bettering their production and their efforts in agriculture. I do not think that the estimates of this department should be lowered.

The same thing applies to the Department of Trade and Commerce. Not all our factories are turning out war supplies. Many of our foreign markets are closed, and they certainly are becoming fewer. Through its intelligence service this department can do much to help us find new markets. I think the estimates should be kept where they are because it is to the advantage of the country to carry on. We should not ruin our national economy by lowering expenditures to a point where it becomes dangerous. This war can be waged successfully if things go well in Canada, if everything is administered to the satisfaction of the majority and in an efficient manner to continue the national well-being.

The hon. member for Peel (Mr. Graydon) made one suggestion with which I agree absolutely. It was that letters to members of the Canadian army should be sent free of charge. I do not know whether the Postmaster-General (Mr. Mulock) will agree that letters from a man's parents and friends and so on should be sent free of charge,

but I think parcels which bring cheer to a man should be sent without costs to the sender. There are many enlisted men whose families have very little personal means. While it may be fairly easy for them to send a piece of cake or some other small gift, when it comes to paying forty or fifty cents postage on a parcel it cuts into their budget quite deeply and they hesitate to send it. The man overseas wonders if his friends have forgotten him. Perhaps it could be arranged to have parcels of a certain size sent free of charge, either through the different units of the army or otherwise. If the government wants to include letters in this scheme, I am all for it. Many of these men have been away from home a long time and they deserve every encouragement they can get from those of us who are in comparative safety in this land across the sea.

Perhaps I may be permitted to take up a few matters which are of interest to my own constituency. I notice many hon. members have done this. I should like to refer first to the taxation imposed last year which was of particular interest to my people. Although taxes in general were increased, they were accepted with true patriotism by everybody throughout the country. However, I must mention three of them which did not seem to please everybody. The first one, and in this respect I think even my western friends will agree with me, is the tax on flour. In eastern Canada, including my own constituency, many complaints have been received about this tax, which is on a necessity. Against taxes on a great many luxuries we could not have a good argument, but everybody needs flour. Western farmers want to sell their wheat, and we in the east want to eat bread. The minister might consider whether something cannot be done about that.

Another point I should like to bring out in connection with taxation concerns the way in which the tax on electricity is collected. At present it is collected on the cost of the electricity, which is far from being a fair system of collection. I understand that national taxation has as its basis the greatest possible degree of equality and justice. Well, if this tax is to be judged upon that principle we are far from acting with justice, because some provinces, amongst them my own, pay more for electricity than others do. The basis of taxation might be on consumption, on the kilowatt hour, as was mentioned, I think, last year by the hon. member for Champlain (Mr. Brunelle), who did not quite agree with the remark of the then Minister of Finance (Mr. Ralston) that if such a change were made, those who pay less, because the price of electricity was lower in their provinces, might object. That is an argument, but it is not an argument of justice, because consumption is the basis upon which a tax should be collected.

Another tax which may not be so strongly objected to by others as it is among my people, is that on raw leaf tobacco. Raw leaf is smoked mostly in the province of Quebec, and before the imposition of the tax that tobacco was sold at about fifteen cents a pound. The tax of ten cents a pound which was imposed on it nearly doubled the price. I do not suppose I shall get so much sympathy from hon. members from other provinces, because they are not interested in the matter, but so far as we are concerned that tax has been quite a burden on the farmer who uses only raw leaf tobacco. When he heard that this tax was being imposed he provided himself with a few months' supply, but that supply is getting lower and lower, and he will soon be coming to us with complaints about the levying of this tax. If we base taxation on broad national lines, this tax on raw tobacco does not quite comply with that principle of taxation, because I am told by statisticians that the greater part of this tobacco is consumed in the province of Quebec.

Another point with which I want to deal briefly at the moment is that of the period of training under the mobilization scheme. Complaints have been voiced that one month is not enough. However, I have met many officers who were more than satisfied with the progress made. Some of my constituents have been called; they have answered willingly, and I am proud to say here that in my own constituency not one man has come to me to ask for any sort of exemption. All of them went cheerfully, because they knew they were going for Canada and they knew they were going to train for the defence of their country. But the talk has been that one month is not enough. It may be so. I would only suggest, Mr. Speaker, that the scheme should be carried on for a year until the men who are liable to this service—I believe, from twenty-one to thirty-five years—have each undergone one month of training. That would carry the scheme along until, probably, September of 1941. If it should appear to be inadequate, those who were called up first could be recalled for a second period of either two or three months, if necessary; but I share the view of one hon. member who was in the Canadian active service force, the hon. member for Nanaimo (Mr. Chambers), that one and a half months would be sufficient. However, I am not a judge of such matters. But I think the scheme should be carried on as it is until the unmarried man reaches the

age of thirty-five years. If we rely upon what has been stated by the Prime Minister of Great Britain, 1942-43 is the year when we shall need men for the battle. Our men might have time to be trained by then, and if they are now trained for one month and given a taste for the army, more might enlist than if they were kept there for four months and become tired and fed up with it.

Before I turn to other matters, may I mention something which was said here the other night, which did not quite please me. It was stated by one of my own friends, the hon. member for Rimouski (Mr. d'Anjou). He said:

> I listened the other night to the excellent speech given in French by the hon. member for Nanaimo (Mr. Chambers). In my opinion, the hon. member thereby gave a lesson to a great many members from the province of Quebec who, either through snobbery or for other reasons unknown to me, rarely speak French in this house. When one wishes to preserve a right, it has always been my belief that he must exercise it.

I do not think I am much of a snob, and I do not believe that speaking either English or French is any kind of snobbery one way or the other. It is just a way of expressing one's thoughts, and when we feel that to speak in one particular language would enable us to reach more persons, it is logical to use it when we are able to do so. If it were a question of right, I would be the first one to fight to the limit to have that right respected and granted to me. But once I have the right, must I use it all the time; may I not use my right to speak in another language? I do not believe that the hon. member for Rimouski understood the lesson to be drawn from the speech of the hon. member for Nanaimo. He should realize that if an English-speaking member makes an effort to speak in this house in French, it indicates that he wants to show his good-will. One peculiar characteristic of English-speaking people is that usually they do not care to show that they are not perfect in anything. I know quite a number of people, friends of mine, who can carry on quite competently in French, but because they cannot speak perfectly in that language they do not care to speak it in public at all. So it seems to me that the hon. member for Nanaimo was quite brave when he went ahead and spoke in French; and rather than blame French-speaking members for speaking in English, my hon. friend from Rimouski should draw a totally different lesson from the excellent speech of my deskmate.

Since my arrival in Ottawa for the present session I have been asked by many people what were the reactions in French Canada concerning the collapse of France and the incident of Oran. In dealing briefly with this question I shall bear in mind what the Prime Minister said in his speech on the address:

> I do not think we can be too careful in this House of Commons about what any of us say with regard to other countries and their position at this time in the matter of war.

Later in his speech he stated:

> I appeal to hon. members in the house and I appeal to my fellow-countrymen in all parts of the dominion to bear always in mind the task which Canada alone can perform in keeping hope alive in the hearts of the grief-stricken people of France. Let no word from Canadian lips add to the agony of her open wounds. Let us inflict no new pain, and let us be ever watchful to exercise the healer's art.

I will do my best, in the few minutes I want to speak on this question, not to forget the advice of the Prime Minister.

The people of Quebec remember with joy the appeal which was made to them a few days after the collapse of France by the Prime Minister, when he asked them to keep alive French love for liberty and for freedom and French culture, and to help prevent the widening of the gap between France and Britain. The way the Prime Minister treated this question in his speech on the address has won for him further admiration in Quebec.

The tragedy of France, as it has been called, can be studied from many angles. But from whatever angle we look at it, it is advisable to avoid extremes. Trying to pin the responsibilities on one political group or another is a silly game that can lead only to bitterness, and I can hardly hide my contempt for those French writers of the right who try to convince us that the leftists led the country to its downfall, and my contempt for the French writers of the left, who explain to us the negotiations of the rightists with the enemies of the state. Many of these writers might be more persuasive if they were less abusive.

It is childish to talk of the unworthiness of French statesmen. Anybody who has been in touch with European politics will vouch for the fact that they were as good, often better, and never any worse than those of other continental countries.

It is naive to talk of deserved punishment for the sins of France. France has always been the land of true proportions and of moderation: "le pays de la mesure," as we say in French. It was the home of highly developed individualism, which was the product of a vast general culture in all fields of intellectual endeavour. An analysis of the French collapse is too complicated a matter

to be made curtly and sharply as it is by some ill-informed people, and moreover it cannot be done within the scope of my remarks.

For us, June 16 was a sad day, when France failed in her word to Britain. We felt badly about it and felt it was a mistake on the part of those who influenced the decisions of Bordeaux. I was of opinion that M. Reynaud, M. Herriot, President Lebrun and all those who shared their views were in the right in wishing to continue the fight from Africa. Personally I think that those who influenced the decision to abandon the British alliance will have an extremely heavy responsibility thrown upon them when history is written. We must remember, however, that it is difficult to judge of the situation from the comparative safety of our shores. We must remember that on June 16 France was alone in the defence of her soil, and also that she did not have the English channel between herself and the motorized war machine of Hitler. No matter how severely we may judge that man Laval, we must believe that France's great hero who is now her leader acted with sincerity. He is now a prisoner of his first mistakes, but his patriotism is a guarantee that he cannot be blinded to the true interests of France. We should therefore reserve our judgment on any moves of Vichy as reported in the press until they are confirmed by positive facts and we can know their full meaning. We must rely, sir, on the fact that the sentiment of the majority of France will prevail in the mind of its leader and that ways will be found to prevent a clash with Britain. But even should matters come to the worst, no one need fear anything about the sentiments of French-Canadians. They will be more than ever on the side of democracy and its valiant defender, Britain.

I was told a few days ago that there was in Montreal a self-styled "man of good-will" going round interviewing people with regard to the incident of Oran, and I understand that he expressed the view that French-Canadians had been terribly offended by that incident. I suggest that he did not meet the proper people, because, no matter how much we may dislike the publicity given to this matter, we admit the necessity for it and we would still say, "Go ahead and do it again," if it had to be done again. We consider that it was in the interest of Canada because it was in the interest of Britain. French-Canadian loyalty has been tested many times in the past. If I remember rightly, it was in 1776 when the American revolution was in progress that Lafayette and d'Estaing came over to America and sent emissaries to the French-Canadians with an appeal for help to the colonists in revolt. It was only seventeen years after the fall of Quebec, and yet French-Canadians turned a deaf ear to that appeal and stood by Britain. They did not participate in the struggle against the crown at that time. In 1812, French-Canadians again proved their loyalty to the crown, and at Chateauguay, there was a battalion of Voltigeurs led by de Salaberry on the side of the English.

Many ill-informed references have been made to the incidents of 1837. That was not a revolt against the crown; it was not a movement in favour of the enemy; it was merely a fight for the recognition of constitutional principles in Canada, in which Upper and Lower Canada participated.

Even in our day, Mr. Speaker, there have been stronger provocations than the necessary incident of Oran which have tested the patience of French-Canadians. They do not have to moan about that African incident when in their own land, in their own province, my compatriots have been hurt. A long and sad story could be written of the lack of fair play shown by certain elements of the majority. Mind you, sir, I am not referring to this house, where the most satisfactory atmosphere exists. I am not referring to the government, who have shown more understanding and good-will than any administration that has preceded them. I am referring to the civil service of Canada, here in Ottawa, and more so in the federal service in the province of Quebec. I am pointing to the great public service companies like the Bell Telephone company, the Canadian National Railways and the Canadian Pacific Railway in relation to their services and their employees in that province. I am pointing to all other agencies or companies of a public nature who derive their revenues from services to the French-speaking population and fail to recognize that population in the allotment of their favours and in the performance of certain of their services. Take the war effort of the country. We call for equality of sacrifice. Do we have equality in the benefits that accrue from war contracts and the direction of the industrial effort of the nation? Some of these daily occurrences are meat for the extremists and a few agitators and are more important than the incident of Oran.

We have a long way to go and there is much to be done to bring about a satisfactory situation. But, Mr. Speaker, never have these just grievances affected French-Canadian loyalty in the past, and happily it is still time to bring about remedies. We are sure that in the end everyone will realize that our country can be made great only by the

unity of its component races, and that unity is never reached by one-sided advantages. Unity can be reached, not by coercion but by good-will and understanding, and I have been preaching the necessity for cooperation whenever I have had occasion, in my short public life, to address the people whom I represent. I say to you to-day, sir, let us all work to this end.

It has been a consolation to us, throughout our history, to have, in the other race which constitutes the majority, friends who understood us and shared in some of our views. It has been a pleasure to see the gradual growth of conciliatory sentiment in the political life of the country and in our universities. There is no more reason for Canadians of pure French descent to have what we call love in the true sense of the word for England than there is for English-speaking Canadians to have a love for France; but there is a common ground on which we can meet, it is our love for Canada our country which our forefathers have built, for which they fought in the past, for which we are ready to fight now. This is the common ground on which we all should meet.

French-Canadians have always respected Britain, and they have been grateful for the political institutions that have been bestowed upon them by Britain, based on freedom, self-government and justice.

In conclusion I wish to state that since the battle of Britain started, the splendid behaviour, the determined and stubborn courage, the heroism of the civilian population of Britain, the magnificent performance of the Royal Air Force and the Royal Navy, have provoked throughout the province of Quebec the deepest and most profound admiration for Britain and the most sincere affection for our sovereigns.

Mr. A. M. NICHOLSON (Mackenzie): I wish to associate myself with other hon. members who have expressed appreciation of the speeches of the mover and the seconder of the address in reply to the speech from the throne. To the hon. member for Provencher (Mr. Jutras) and the hon. member who has just taken his seat (Mr. Picard), I say that I envy them their ability to speak so fluently in the English and French languages. I regret exceedingly that my education in modern languages has not enabled me even to attempt to speak in the French language this afternoon.

The mover of this address placed the debate on a very high plane at the very outset of his speech when he said:

> I feel I correctly interpret the interests and views of St. Lawrence-St. George when I say that we seek no local interest, we want no personal advantage, we are not interested in partisan politics. Every true Canadian feels the same to-day. We seek the welfare of Canada and of every part of it.

Those are honourable words. They set, as I said, a very high plane for the discussion. I think all hon. members who have spoken have tried to maintain the spirit there outlined. The Minister of Agriculture (Mr. Gardiner) apologized for not having heard this speech. Had he heard it, perhaps he would have omitted the first part of his address the other day, which brought us back to the hustings and election time.

One part of the address of the hon. member for St. Lawrence-St. George I think requires amplification. He said:

> Few of us have yet begun to give up things we like, still less things we think we need. Unless we also tighten our belts our effort will fall short of what is necessary to stop the nazis. We must consume less, save more and steadily invest in war savings certificates and war loans.

I hope that hon. members will not judge the people whom I represent in parliament by the amount of money they are subscribing to government loans or by their purchases of war savings certificates. I should like them to judge my people by the sentiments expressed by the editor of the paper in the little town where I have lived for the past ten years. This editor has locked up his printing press, said farewell to his wife and four children after joining the 20th company of the forestry corps. This is what he said in his farewell message to the readers of his weekly paper:

> We regret the need that calls us to serve our country. We are proud that we are capable of serving in even the humblest capacity. We regret leaving wife and family, but we are proud they have the faith and courage to send us on our way with a smile and a cheering word. We regret leaving friends at home but we are proud to join with the finest men of our country in protecting those things which we hold dear.

These are the sentiments of many who cannot give even a cent to purchase war savings certificates, but who are making a much greater sacrifice, who are prepared to give even life itself.

The hon. member asks us to consume less and save more. I wish he would be more specific. I wish some members of the government would tell us exactly what they mean when they ask us to consume less. I have in my hands a copy of *Maclean's* magazine of October 15. The back page is devoted to an advertisement urging us to buy International de luxe delivery trucks; the second last page urges us to buy Canada's first choice automobile for 1941, the Studebaker Champion. Two whole pages are devoted to advertising the best car in America, the 1941 De Soto; a

full page to Fargo trucks; two pages to the 1941 Dodge luxury liner special; two pages to the Chrysler; two pages to what is supposed to be the best of all, the new Plymouth; and right out in front of course you find the leader, the Chevrolet. It seems to me that the publishers of this magazine need to be told whether those who buy these commodities are helping or hindering our war effort. I am sure the International Harvester company does not want to urge people to purchase de luxe trucks if by so doing they are using money that should be saved to buy government bonds or war savings stamps. It is high time some spokesman of the government told us what is meant when we are asked to save more and consume less.

I should like to be told whether we are to consume less wheat, less bacon, less butter, less apples. Or are we to consume less fish? A great deal of confusion is being caused by loose talk of the kind I have mentioned.

I was glad to hear the Minister of Munitions and Supply (Mr. Howe) announce yesterday that we are not going to have any more luxury liners in the way of new automobiles or frigidaires or radios. The announcement is timely; in fact it should have been made a year ago. But if it is wrong to buy these things, it is equally wrong to manufacture them. I believe the people of Canada are anxiously awaiting a lead from this government as to what commodities should be conserved and what commodities should not.

My desk mate (Mr. Gillis) referred in his speech the other day to the excellent utterance of the Prime Minister (Mr. Mackenzie King) in his Labour day address when he referred to the brotherhood of the brave who fight for us and the brotherhood of labour who work for victory. I endorse everything that has been said in this house with respect to the splendid contribution being made by the members of the military and air forces and of the navy. I echo what has been said on many occasions as to the need for free transportation for those who are prepared to give their lives for their country. Further, I wish to express appreciation of the work being done by the brave women of Canada, for I think we all agree that in war the greatest sacrifices of all are made by the women.

I should like to devote most of my time this afternoon to a discussion of the second brotherhood mentioned by the Prime Minister, the brotherhood of those who labour for victory. I read in the *Hansard* of the British House of Commons the other day a speech by the hon. member for Llanelly. Speaking on October 10, he said:

> The past few years in Europe have shown very clearly that totalitarian wars, modern wars, are won or lost by the spirit of the population. One of the most remarkable things in recent years is that wars have been lost in countries while their armies are still in being because the civilian populations have cracked.

There is a great deal of truth in that. Hon. members are anxious that the civilian contribution of Canada should be the maximum contribution.

I should now like to say just a few words about our effort in the industrial field. Two of my colleagues have made a splendid contribution to the debate in dealing with the problems in connection with industry. I was interested to read another comment by the same member of parliament in the British house. He stated that in his constituency they had made over ten thousand Anderson shelters, but at that time they did not have a single shelter for their own use. He pointed out that large quantities of steel were necessary for the construction of those shelters and that there was a serious shortage of steel in Great Britain. My desk mate advises me that the production of steel in Canada is not at the maximum. I submit, Mr. Speaker, that as long as people in Great Britain are unable, because of a lack of steel, to obtain these Anderson shelters, we should be supplying every pound of steel that it is possible for this dominion to produce.

I should like to congratulate the Minister of Labour (Mr. McLarty) upon the work that has been done under the dominion-provincial youth training projects. I have in my hand some information in connection with the short courses provided for young men in welding and sheet-metal work, machine-shop work and aircraft mechanics. More work of this sort should be done; but so far as I know, the training school at Galt, Ontario, is the only one that undertakes to train large numbers of young men under this scheme. These men must be between the ages of sixteen and twenty-nine, and each must have a letter from some responsible employer to the effect that he will be given employment on completion of the particular course which he is taking. This, of course, to a certain extent limits the number of those who otherwise might be able to take advantage of this opportunity. I should like to urge upon the Minister of Labour that, in addition to training young men in work of

this kind, provision be made for the retraining of mechanics who were originally trained either in the old country, in the United States or in Canada. In western Canada particularly we have a large number of men on farms who received their training in the large industrial areas of Great Britain, the United States and Canada, but who gave up industrial work to go farming in the good old days when fortunes were to be made on the prairies. This year many of these men find that they will be compelled to ask for relief if they do not get an opportunity to work. I have in my constituency well qualified men, who served seven or eight years as apprentices in the old country, whose relatives are being bombed every night by Hitler's planes, who are not satisfied to be sitting down accepting relief in Canada when they should be doing some constructive work, as long as there is in this dominion a single factory that is not running at capacity. I submit that without further delay schools should be set up to provide refresher courses for men trained in industry some years ago, who are going to be needed in industry again in the very near future if Canada is to make its greatest possible contribution in the supplying of war material to Great Britain.

I now come to a discussion of a subject that is of vital concern to the people whom I represent and the people of western Canada, the question of agriculture. I think all hon members will agree with the statement made the other night by the Minister of Agriculture that the production of food is going to be one of the valuable contributions that Canada will make. I am not at all satisfied with the arrangements that are being made in this country with respect to the production of foodstuffs. I want to thank the Minister of Agriculture for the announcement he made yesterday, in response to the question I asked on Friday as to whether 1940 would be declared an emergency year under the Prairie Farm Assistance Act. His announcement will be welcomed all across western Canada. In speaking the other night, the hon. member for Melfort (Mr. Wright) referred to the following statement by the Minister of Munitions and Supply (Mr. Howe), as contained in a news letter issued by the director of public information:

> We do not know of any construction contract let since the outbreak of war that has netted the contractor what, by any stretch of the imagination, could be considered an excessive profit.

The minister went on to say:

> . . . it is not in the public interest, in a time of crisis, that a contractor should be out of pocket in fulfilling a national need. Obviously, no good end is served by letting contracts on a financial basis which would cripple a contractor, and so limit the productive facilities of the dominion.

If that is the policy of the Minister of Munitions and Supply with respect to the letting of contracts, it is high time it also became the policy of the Minister of Agriculture and the Minister of Trade and Commerce (Mr. MacKinnon); for, as I said before in this house, the production of wheat, butter, bacon and so on is every bit as important as the making of machine guns, bombing planes, bullets and other forms of equipment. I am not minimizing the contribution made by industry, but I am saying that if Canada can give the manufacturers all their costs plus a profit, we should not ask our farmers to go bankrupt in producing foodstuffs for Canada and the mother country.

I was one of the perhaps few members of the house who could not develop one particle of enthusiasm as we listened to the Minister of Agriculture the other night. I want to assure you, Mr. Speaker, that this was not because the preliminary remarks of the minister annoyed me. Frankly, in normal times I enjoy hearing the Minister of Agriculture on the hustings, fighting as he fought the other day. But what did disturb me was the fact that the picture he presented for agriculture was as full of holes as a sieve. I am not going to discuss all the commodities he mentioned; I am going to confine myself to two products that concern the people of my constituency and of western Canada more than any others.

I want to discuss what the minister has in view with regard to bacon and wheat. He talks in terms of millions of dollars and millions of pounds, with the greatest of ease. But what the farmers of Canada want to know is, how many cents a pound? It is not going to be any comfort to the farmers who are producing bacon to be told that they will have to produce that bacon for a price which will mean bankruptcy, but that they should be comforted because there are thousands of other farmers in exactly the same boat. When I asked the minister the other day just what the price was going to be, he did not answer. I asked if the price would be as high as it was last year. His reply was that it would not be quite as high as last year but that better arrangements in connection with maintenance, margin for storage and so on should result in a price to the farmer which would compare favourably with that of last year. The minister did not give us the information, but that was not because he did not have it. The farmers of Canada knew what the new deal meant, but they did not learn it from the Minister of Agriculture.

Mr. DOUGLAS (Weyburn): A dirty deal.

Mr. NICHOLSON: The farmers learned about it through the packers. When the farmers took their hogs to market last week, the packers knew all about the matter; the price had dropped 70 cents. Somehow or other the packers knew that the new deal was not a very good deal.

Mr. HANSON (York-Sunbury): The sides are smaller.

Mr. NICHOLSON: The price is down 70 cents a hundredweight. Since the minister made his speech the other day, there has been a further drop of 50 cents.

Mr. JACKMAN: He should stop making speeches.

Mr. NICHOLSON: I notice the suggestion of the hon. member for Rosetown-Biggar (Mr. Coldwell) that we should have a full-time Minister of Agriculture is receiving consideration. The name of the minister of agriculture of Saskatchewan has been suggested.

I was glad to see that there is at least one minister of agriculture in Canada who does not think very much of this bacon deal. I see in the Winnipeg *Tribune* of November 19 the following dispatch from Toronto, where the Hon. P. M. Dewan, Minister of Agriculture of Ontario, is quoted as follows:

> The bacon quota announced a few days ago was gratifying as to quantity. The price now announced is truly disappointing. Already I understand purchase prices to the farmer are down from top prices $1.50 per hundredweight for dressed hogs. This is bad medicine for the farmer to take, particularly when everything he must purchase is increasing in value.

I agree with the Ontario minister; this bacon deal is bad business for the farmer. The Winnipeg *Free Press* had something to say about the deal, stating that it did not believe the Canadian farmer would want to hold up the price of bacon to Great Britain.

I find that in other respects we are asking Great Britain to pay the piper. In a return to my question respecting German prisoners of war I find that the total yearly rentals paid for land in which prisoners of war are located amount to $35,278 annually, all of which is recoverable from the government of the United Kingdom. For food for prisoners of war I am told we are spending $2,517 daily, of which $2,114 is recoverable from the government of the United Kingdom. These figures would seem to show that at least in respect of some matters the government of Canada is not so generous when it deals with the British government. I dislike very much this policy of half charity and half business. It is something like taking a guest to the parliamentary dining-room this evening and saying to him, "This dinner will cost 75 cents; I will pay 65 cents and you may give me 10 cents."

We are saying to our customers across the sea, "We are going to sell you bacon at less than the cost of production. We do not want you to pay the full price. You give us so much, and the farmer will take the rap." The old price was $18.01 per Wiltshire side, at Canadian seaboard. The new price is $15.82. That is not good enough, and as the representative of a rural constituency, whether or not I ever made my living on a farm, I want to protest with all the power I can muster that this sort of deal is not good enough for agriculture, in the present crisis.

I want now to say something about wheat, and in that connection would draw the attention of hon. members to a statement made in the British House of Commons by the secretary to the Minister of Agriculture. Here are his words, as reported at page 1422 of *Hansard* for the British House of Commons on August 22, 1940:

> After the outbreak of war it was known that there had been increases in the farmers' costs and the standard price was increased from 8 shillings per hundredweight to 9 shillings per hundredweight. Since December last year farmers' costs have increased very materially largely because of the increase in wages. There have been other increases in their costs but wages are perhaps the main cause. The government therefore have decided to increase the standard price of oats from 9 shillings to 11 shillings six pence. This merely puts a bottom in the market. Farmers will not be faced with a rapid fall and unless the price actually falls below 11s. 6d. no subsidy will be paid. This guarantee ought to give ample confidence to farmers to produce the maximum quantity of oats since they are no longer exposed to the possibility of a slump.

I say that what Great Britain has done for the British farmer, the Canadian government can do for the Canadian farmer.

I was pleased to hear that at last the Minister of Agriculture had repudiated a statement which had caused a great deal of misunderstanding, namely that wheat could be produced at from 30 cents to 40 cents a bushel. As reported at page 102 of *Hansard* he has gone on record as follows:

> It is generally admitted that 70 cents advance at Fort William, which nets the farmer about 50 cents a bushel, does not cover his total costs of production and therefore does not maintain him as a contented producer.

If not, then what about it? If wheat cannot be produced profitably at 50 cents a bushel, what is the government doing about it? If we are going to give the manufacturers of

munitions of war not only all their costs but an additional profit, why not give the farmer a price for his product which will enable him to have that decent standard of living which the minister frankly admitted he cannot have at the present time.

I believe the minister in his observations was very optimistic when it suited him and very pessimistic when it suited him. When he looks forward to our consumption in the next ten years he is most optimistic. He estimates that we are going to have an internal consumption of 160,000,000 bushels a year during the next five years. How much have we consumed in the last ten years?

I have before me some figures supplied by the bureau of statistics which show wheat consumption in the last ten years as follows:

Year	No. of bushels
1940	133,870,000
1939	121,774,000
1938	123,083,000
1937	103,562,000
1936	99,542,000
1935	121,702,000
1934	101,583,000
1933	104,518,000
1932	99,123,000
1931	117,560,000
Total	1,126,317,000

These figures give an average consumption of 112,631,700 bushels a year. Yet the minister estimates an internal consumption of 160,000,000 bushels, or an increase of 42 per cent in the next five years. I agree with the Minister of Agriculture that we could increase our internal consumption to this extent, but not under the policies prevailing in Canada at the present time. With the amount of purchasing power available to the majority of the low-paid workers and farmers, it is quite impossible to increase consumption to that extent.

A short time ago I met in the city of Winnipeg a fruit grower from British Columbia. I talked to him about his problems, and after he went home he sent me some information respecting his receipts for fruit sold in British Columbia. These are his words:

> For this variety and Gravensteins we were offered 55 cents per box on the car. As the box and packing costs amount to about 35 cents, the grower would receive about 13 cents net after Associated Growers sales charges are added. For this 13 cents the grower has to produce the apples and deliver them to the packing house. While in Winnipeg I saw this variety and grade in several stores marked $1.65 a box and in one case $1.75. At the present time No. 6 wheat is selling in this district for $32 a ton cash. I have just obtained the price from the local feed store.

The point is this: Here is a fruit grower selling his apples in British Columbia who, when he wishes to buy No. 6 wheat produced in Saskatchewan, must pay with the receipts from seven or eight boxes of apples. He must give that many apples to pay for a bushel of No. 6 wheat. When the Saskatchewan farmer wants to buy a box of British Columbia apples he finds that, after taking out expenses for threshing and twine, he has to give the value of six or seven bushels of wheat. It is quite obvious, therefore, that when we have a condition whereby a farmer has to give six or seven boxes of fruit to buy one bushel of wheat, and a wheat grower has to give six or seven bushels of wheat to buy one box of apples, there is no possibility in the world of increasing internal consumption to the extent mentioned the other night by the minister.

Then the minister made some estimates with regard to our export. In this respect he is generous. He made estimates in connection with our production, and I believe in that regard he is pessimistic. He placed before us facts respecting the last fourteen years, and stated that if we produce as much in the next five years as we did in those fourteen we shall have such-and-such a condition. I trust that we may never again have a period of ten years in which large areas in western Canada did not all through the period get back their seed.

This year has been declared an emergency year, and we have a crop amounting to some 561,000,000 bushels. Just the other day I received from the bureau of statistics a chart showing the production in western Canada for the present year. I was amazed at the small area where the yield was over twenty bushels to the acre, and at the large area where the yield was under twenty bushels. I think my guess is just as good as that of the Minister of Agriculture. If he estimated 500,000,000 bushels a year he would be much closer to the total than he was when he made his estimate of 380,000,000 bushels of wheat a year.

I am going to make a few concrete proposals to the government and the Minister of Agriculture. In the first place I would ask the government to carry out the election promise of an interim payment on the 1939 wheat crop, which was accepted in good faith in western Canada. I know the Minister of Agriculture denies promising an interim payment of from 10 to 12 cents a bushel. Last year the hon. member for Lake Centre (Mr. Diefenbaker) said it was strange that so many reporters should get the minister wrong. If I remember correctly, the hon. member quoted from several western papers to the effect that the minister had promised definitely that there would be an interim payment of from 10 to 12 cents.

Mr. COLDWELL: Including Saskatchewan Liberal papers.

Mr. NICHOLSON: In the second place, I urge that there be an increase in the initial payment for the present year. I have received from municipalities in my constituency petitions asking that the price be $1.50 a bushel for the first thousand bushels, the balance to be sold at the market price. I was amazed to find that the Saskatchewan association of rural municipalities, a powerful organization which has gone out of its way to refrain from embarrassing the government, has gone on record as asking for $1.50 a bushel for the first 1,000 bushels, the balance to be sold at the market price. I can support that recommendation provided the market price does not go below the present price of 70 cents a bushel.

In the third place I urge the closing of the Winnipeg grain exchange. Fourth, I urge the marketing of agricultural products by appropriate food boards at parity prices. Fifth, I urge government assistance to the farmer by providing suitable granaries, similar to the plan adopted in the United States, with a view to storing one billion bushels in Canada. People talk about a carry-over of half a billion bushels, but I submit that the time is coming when one billion bushels of wheat in Canada will be an important factor in getting the peace we are looking for in Europe. As the minister points out, wheat can be stored and kept for long periods. Then there should be a cash advance of 75 per cent of the value of the wheat stored on the farms. The question may be asked, "where will the money come from?" I am glad to have had an answer from three well known authorities, the Prime Minister (Mr. Mackenzie King), the former Minister of Finance, now Minister of National Defence (Mr. Ralston), and the present Minister of Finance (Mr. Ilsley). The Prime Minister is reported on page 53 of *Hansard,* as follows:

> Before turning to another aspect of my subject, I should like to remind the house that the only limits the government is prepared to place upon Canada's war effort are those imposed by the extent of our resources, both human and material, and by our capacity for sacrifice. We will make financially possible the utmost effort the people of Canada are physically and morally capable of making.

I was going to point out in considerable detail a market which the Minister of Trade and Commerce (Mr. MacKinnon) might very well consider, but the time at my disposal is becoming short. I refer to the home market. I cannot state definitely how extensive this market is, but there is a large group in Canada in the lower income brackets who are not getting enough to eat. I have on my desk the results of a study which was carried out in the United States, and which I recommend to the minister. This shows that a large percentage of those in the lower income brackets increased their food consumption 100 per cent when their incomes were stepped up from $65 to $100 a month.

I have in my hand a little booklet entitled "Food for Health" prepared by the Canadian Medical Association. I recommend this publication to all hon. members. The only criticisms I have heard of it are that it provides for a minimum diet, and our relief authorities say that they cannot supply our people with the amounts recommended. This booklet sets out that a family of five should have $11.40 a week for food alone. A number of carefully prepared diets are set out, every one of which is considered a minimum diet. I wish the people in my constituency who are on relief could have the diets set out in this booklet.

I have a letter from the superintendent of the mothers' allowance bureau pointing out that the maximum allowance for a mother with a family of eight children is $36 a month, or $432 a year. This family would have to provide clothing, rent, coal oil and other necessities out of this income. For a family of two adults with five children the Canadian Medical Association recommend a minimum allowance of $13.85 a week, or $720.20 a year, for food alone. When a reliable publication of this sort states that the minimum amount for food should be $720 and when we know that there are many large families living on much less, there cannot be any doubt that there is a large field for consumption here.

I am sorry the Minister of Labour (Mr. McLarty) is not in his place at the moment, because I wanted to express my thanks for the careful consideration he gave to a number of relief problems which I brought to his attention last session. I have the report of an investigation which the minister was kind enough to have carried out. It is marked "confidential," but in view of the fact that the result of the investigation has been made public by a former member of this house who is editing a paper in North Battleford, I think it is only fair that I should take advantage of the privilege the minister has given me of referring to the report. I shall not mention any names given in the report.

Hon. members will recall that I described conditions in my constituency which were shocking to many members. An investigation was made, and this is the report. I shall refer only to two cases. I was fortunate in having a member of the Saskatchewan legislature, who is a returned soldier, accompany

these inspectors. I do not say he is not telling the truth in his report, and there is a vast difference between the truth and the whole truth. One family was investigated where the man was getting $8 a month, and the inspector states:

At the time of my visit on July 5, 1940, there was food in the house sufficient for immediate requirements.

Here again I am sorry the English language is not as explicit as it should be. I should like to tell hon. members exactly what was in the house the day upon which this inspector considered there was sufficient food there for immediate requirements. On that day this family had 75 pounds of flour, 20 pounds of porridge meal, one-quarter pound each of tea and coffee, two pounds of salt, a few ounces of baking powder and some milk, butter and eggs. But this is what they did not have. They had no meat, no sugar, no lard, no preserved fruit, no dried fruit, no jam, no syrup or honey. This family was in debt to the storekeeper to the extent of $70. The man has no chance of getting work to retire this debt and in order to prevent the family from going hungry, the storekeeper had given him credit to the extent of $70.

The next case is that of a returned soldier, and here the inspector points out that these people should consider themselves fortunate. His report states:

Since going on the homestead the branch has supplied them with building materials for a good house, stoves, tools of all kinds, two cows, a team of horses, harness, feed, sleighs, wagon, plough, harrows, and has broken around ten acres of new land. When one considers that a year ago this family had absolutely nothing and now they have a very good start on a new home, we believe that they should consider themselves fortunate. It is true that we reduced the monthly food order slightly this spring, but that is due to the cows freshening and gardens coming in. This is a case where we have no excuses to offer whatsoever.

I realize that the government has given this family a good deal of assistance, but the fact that an old rake and some harness are out in your barn does not satisfy your appetite. What did this family have in the house on the day of inspection? The report states they had 25 pounds of flour, four pounds of sugar, two pounds of lard, a few ounces of tea and coffee, and some milk. They had no meat, potatoes, eggs, butter, fruit, syrup or honey. They were short of clothing. Their bedding consisted of two blankets, three sheets, one quilt and one overcoat. They did not have a mattress. A returned soldier who gave his best during the last war is in this condition, and the inspector who goes in cannot see these things. I am told that he saw the beautiful trees—and the trees are beautiful—and he saw the gorgeous scenery—and there is no finer scenery anywhere in my constituency. But I repeat what I have already said in this house, that men, women and children are going hungry; and I feel sure that if the Minister of Labour were here he would agree with me that it is not his intention to have people living under these conditions in this day and age.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. A. G. SLAGHT (Parry Sound): Mr. Speaker, I desire to direct the attention of parliament and the people of Canada to one of the national problems which "war has served to intensify or create,"—to use the language of the speech from the throne—a problem which heretofore has not been discussed in this debate.

Before doing so, I desire to pay tribute to the full and detailed accounts which the Prime Minister (Mr. Mackenzie King) and those ministers charged with special war portfolios have given to parliament and to the country. One who has followed these amazing recitals of the past few days must, I suggest, be proud indeed of Canada and of our war effort. Particularly do I desire to convey an expression of thanks on behalf of the people of the constituency of Parry Sound to the Minister of Munitions and Supply (Mr. Howe), who yesterday, in his kind and sympathetic way, paid tribute to those who lost their lives or who were injured in the unfortunate explosion at Nobel. His way of putting it prompts me to say that we in Canada owe a debt to the labour organizations for their fine cooperation in our efforts, without which cooperation it would be impossible to have done and to continue to do our part in this conflict.

The particular problem on which I want to spend a few minutes to-night is that of the enemy within, otherwise known as the fifth column. To combat the enemy within we have in Canada a special service which, although smaller numerically, has no less importance in my view, so far as the defence of this dominion and aid to the mother country are concerned, than the army, the navy and the air force. I refer to the protective service which combats espionage, sabotage and subversive enemy activities, and whose special task has been and still is to fight and suppress the fifth column and the enemy within our gates. This duty falls, as

hon. members know, upon the secret service of Canada, which in turn is a branch of that magnificent force, the Royal Canadian Mounted Police.

This subject is one to which I have given special attention for the past two years. On May 13, 1939, eighteen months ago and four months before the outbreak of war, I addressed this house upon this particular subject. I have been accused of being an alarmist, of endeavouring to create hysteria with reference to the seriousness of this problem in our country. But the recent history of Europe shows that the warnings which I undertook to give the Canadian people have, so far as certain countries there are concerned, been converted into grim, stark reality. It is in the hope that we can draw a lesson from what has happened there that I want to call the attention of the house to some matters to-night.

First, let me state in brief what Germany did on this continent in the last war. In doing so, I suggest that we may not expect from her present high command any less cruel and ruthless treatment on this continent than we received in the war of 1914.

Shortly after the outbreak of war in 1914, Germany instigated and equipped from Berlin through Zimmerman a campaign of sabotage, dynamiting, destruction and international murder, by placing a large sum of money in the hands of her diplomatic representatives in the United States. Count von Bernstorff was ambassador at Washington. Captain Franz von Papen, Captain Boy-Ed and Doctor Albert established offices in New York city; and $150,000,000—as was established by the British secret service and proved also by Doctor Albert's later admission—was sent to the United States for use in destroying life and property in Canada and the United States in order to cripple the war effort of the allies. On the surface these men were there to foster friendly relations between Germany and the United States, which latter country, as the house will recall, was not then at war. Surreptitiously they were there to conduct a campaign of destruction of life and property. On Tuesdays and Saturdays they dined at the White House, accepting hospitality from the president, and on Wednesdays and Fridays they went to their cellars and met their tools and agents whom they instructed and equipped with money to carry out the purposes in which they were engaged.

All that I tell you, Mr. Speaker, to-night in this regard is a matter of record in confessions, in court proceedings, and in part in the files of the British secret service. I gave more details to the house on May 13, 1939, as reported at page 4045 of *Hansard*, and if anyone should be interested in tracing the details of what happened, that reference might be useful. I am going to remind hon. members to-night of only some of the activities of these German agents against Canada:

The plot to blow up the international bridge at Vanceboro, Maine.

The dynamiting of the Peabody Overalls company at Walkerville.

The attempt to dynamite the Windsor armouries, in which our troops were then billeted.

The attempt to blow up the tunnel on the Canadian Pacific railway between Revelstoke and Vancouver.

The attempt to blow up the Welland canal.

The attempt to destroy the Canadian Pacific railway by dynamiting bridges and tunnels.

And numerous other similar affairs. Japan, at that time our ally, was then transporting troops across Canada towards Europe.

So much for their efforts against Canada. A further amazing list of destruction in the United States, and of explosions on vessels departing from United States ports with supplies for the allies, would take too long to relate. The list of their successful operations is almost unbelievable. Let me remind the house of only a few:

January 1, 1915—Incendiary fire at the John A. Roebling Company plant at Trenton.

March 15, 1915—Explosion at DuPont plant at Haskell, N.J.

April 1, 1915—Explosion of Equitable powder plant at Allon, Illinois.

May 3, 1915—Explosion at the Anderson Chemical Company at Wallington, N.J., costing three lives.

June 26, 1915—Incendiary fire at the Aetna powder plant at Pittsburgh.

July 7, 1915—Incendiary explosion at the DuPont plant at Pompton Lakes.

July 16, 1915—Incendiary explosion and fire at the Aetna plant at Sinnemahoning, Pa., costing five lives.

August 11, 1915—Incendiary fire at Westinghouse electric plant, Turtle Creek, Pa.

May 10, 1916—The Atlas powder mixing plant was destroyed.

Hon. members will find ninety-six more enumerated in *Hansard* of May 13, 1939. I conclude with a very interesting one:

July 22, 1916—Explosion in Hercules powder works.

Just the other day the Hercules works received their second bath of blood, this time much more serious, because 40 workmen lost their lives.

It has been said that lightning does not strike twice in the same place, but that expression, obviously, has never been extended

to the German gangsters. Let me here and now—and this is part of my purpose in speaking in this debate—pay the highest tribute possible to the Royal Canadian Mounted Police of Canada. They constitute our secret service. I bespeak from this government, from every member of the house, the strongest support for that great force, and I implore the Minister of Justice (Mr. Lapointe) and the government to increase the grant substantially this session and provide a large sum of money, first, in order that the personnel of the force may be materially increased and, second, in order that the men on the force may be paid at rates commensurate with the dangerous and all-important protection which they are according to this country and to our war effort.

There is not intended one word of destructive criticism in what I ask the government to do. For twenty-five years all political parties have permitted this force to remain underpaid. The standard of requirement to enter the force, and the schooling and training which these men undergo, are rigid and high, and the men in the force have to serve six years on very small pay. This force, in efficiency—and I know something of its work in the past year—is not second even to Scotland Yard. The personnel is too limited to perform the terrific task now imposed upon the force by the war. We have two extensive coast-lines which they must guard particularly in order to protect vessels departing from Canada with cargoes for war purposes. The Minister of National Defence for Naval Affairs (Mr. Macdonald), in a wonderful address in which he disclosed the work of his department, told us that 3,500 vessels carrying cargoes amounting to twenty-one million tons had left Canadian shores since the outbreak of war. The old enemy tactics of planting time bombs on supply vessels bound for Europe must be watched as a cat watches a mouse, and that is only one aspect of the work of the force. They have counter-espionage and internment duties which require close and constant attention from one end of the country to the other.

We have been given figures showing the tremendous increase in factories and plants for war services. We are obtaining some $800,000,000 in production, and the greatest insurance we can have is to see that this force is equipped and increased so that a fair measure of protection shall be accorded to these industries once they are under way.

May I say just a word about the defence of Canada regulations, because they are closely allied with the subject I have been discussing. I endorse to the full the well earned tribute paid to the Minister of Justice by the hon. member for Vancouver East (Mr. MacInnis), and I wish to add to it by saying that this country owes the Minister of Justice a great debt of gratitude for the onerous, difficult and unpleasant duty which devolves upon him in the administration of these regulations, a duty which demands from him never-ceasing vigilance and courage. We have in him a man who possesses those two outstanding qualities to a great degree.

In my view the hon. member for Vancouver East with whom I am not always found in agreement, yesterday offered two valuable suggestions as to possible amendments to regulation 22. I think they might well be given careful consideration. With other criticisms of the defence of Canada regulations I am entirely out of accord. We hear these regulations attacked, sometimes with much vigour, on the ground that they are not in accordance with British justice—great stress is laid upon that phrase. They are attacked in the press and elsewhere, and I wonder whether those who attack the regulations on that ground are aware that, so far as the internment of subversive elements is concerned, our regulations are patterned precisely upon the British regulations as they exist to-day.

In my view it would be dangerous to relax our regulations, except to the extent suggested by the hon. member to whom I have referred, because Britain has found them of great benefit and we have also found them beneficial in dealing with subversive activities in this country. I would point out that Norway had no defence of Norway regulations, Belgium had no defence of Belgium regulations, nor had Holland any, and when Hitler determined to invade these countries they were honeycombed with subversive elements running wild without check in any way. In my judgment the rapid defeat of Norway, Belgium and Holland was due in large measure to treachery from within. History so records.

The defence of Canada regulations are such that I would definitely oppose them if this were a time of peace, but Canada is at war and that makes all the difference with regard to them. I suggest that anyone who seeks the repeal of these regulations should first ask Winston Churchill for his view of the subject.

Let me ask you, Mr. Speaker, to turn to Europe for a short time and review what has happened there, apropos of my subject; and then I want to apply the knowledge we have gained there so as to make sure that Canada and the United States shall not repeat the mistakes for which European countries are

now paying so terrible a price. Over a period of years Hitler has built up a terrific and efficient war machine. He has produced the strongest array of mechanized slaughter machines ever gathered together for murder in the history of the world. He has armed and trained an enormous army of men brought to the highest state of man-power efficiency. But granting all that, I say to you, sir, that without two satanic weapons which he devised he could never have had the startling successes in Europe which he has achieved during the past few months. Those two weapons are ruthlessness and treachery.

First, there was ruthlessness, deliberately planned to create fear and to turn the blood of strong men into water. Cast your mind back, Mr. Speaker, to what he did in his own country, the cruel persecution of the Jews in Germany, the persecution and devastation of the Catholic church and all its orders and institutions, the murder of Dollfus, the purge or "blood bath" as it was called on June 30, 1934, when he murdered 1,200 of his former friends through his gestapo, one of them being Roehm, his chief of staff, the man who had built up the force of storm troopers and put him in power; another was Karl Ernst, his loyal Berlin troop leader, who had become too popular for Hitler's liking. It is interesting to note that both these men, just before Hitler murdered them, were decorated by him with the iron cross. We in Canada are not impressed with the iron cross as a token of esteem between friends; we think it stands for everything that is foul and evil. We think the cross signifies the quality of mercy, and if I may be permitted to paraphrase Shakespeare, I would say that the iron cross is twice cursed; it curseth him that gives and him that takes.

Outside Germany the slaughter picture is terrific. There was the burning of Rotterdam with the massacre of 100,000 defenceless women and children; the slaughter on the roads of France when Hitler's machines zoomed up and down, spilling death and destroying old men and women carrying bundles over their shoulders, and little children, so that their bodies might be stoplogs in the path of the French army. Now we have the bombing of London present to all our minds, where women and children, hospitals and schools, are the chief prey of the night raiders. Then there was the torpedoing of the *City of Benares*. None of these wicked acts are ordinary incidents of war; they are planned deliberately to instil fear and as a policy of ruthlessness. I am going to quote his own language from Rauschning's sensational book, "Hitler Speaks," where this statement made by Hitler is quoted verbatim:

> We must be ruthless. We must regain our clear conscience as to ruthlessness.

Treachery, as I mentioned, is his second weapon, and that is directly applicable to what I am talking about. Norway was overrun in record time, and the Quislings within were responsible. Holland, Belgium and France itself were overrun in thirty-three days. An army of eight million trained men, including the flower of the British army to the extent of 350,000, was defeated and routed, and these countries subjugated and captured in, as I say, thirty-three days. I suggest that all of that was the result of treachery, treachery from within, and could not possibly have been accomplished in any other way. In the last war in one battle which continued for eight days the French alone lost 600,000 men. The courage of the men of France is no less to-day than it was then, but we find that this insidious, terrific treachery from within has changed the whole picture of warfare.

May I point out that there is no accident about this. Hitler planned it in 1934. He called his agents from all countries where they were posted, including the United States and Canada, to a convention at Berlin where he addressed them in this language which I shall quote, and afterwards they dispersed and went back to the respective countries from which they came. Those who came from this continent returned here. I quote his language:

> As the front line of our German fighting movement you will make it possible for us to complete the occupation of our positions and open fire. You are the army's outposts. You will have to prepare definite enterprises for an advance of the front. You will have to mask our own preparations for attack. To-day you are perhaps the most important section of the German nation.

That is impressive language. Then he sent them on their way with this admonition:

> It is a good idea to have at least two German societies in every country. One of them can always call attention to its loyalty to the country in question and will have the function of fostering social and economic action. The other one will be radical and revolutionary. It will have to be prepared to be frequently repudiated by myself and other German authorities.

And again:

> We shall have friends who will help us in all the enemy countries. . . . When the enemy is demoralized from within, when he stands on the brink of revolution, when social unrest threatens—that is the moment, a single blow must destroy him.

And again:

We shall soon have an S.A. in America.

"S.A." meaning storm section.

We shall train our youth, and we shall have men whom degenerate Yankeedom will not be able to challenge.

Canada, sir, and the United States are direct objects of his ambition. Let none of us in either country make any mistake about that. In support of that statement I quote again from Rauschning's book, Hitler's own language:

Our struggle against Versailles and our struggle for a new world order is one and the same, we cannot set limits.

Nothing will be easier than to produce a bloody revolution in North America.

I guarantee, gentlemen, that at the right moment a new America will exist as our strongest supporter when we are ready to take the stride into overseas space.

Every state could by suitable methods be so split from within that little strength was required to break it down.

And as for money, for this purpose there will always be money. It is true that these conspiracy methods will grow costlier as one moves further westward, but that is the only difference. They will succeed everywhere. I guarantee that.

I have related this story to indicate why I so persistently warn against sabotage and fifth-column activity. The Royal Canadian Mounted Police, corresponding with Mr. Hoover's Federal Bureau of Investigation in Washington, and Scotland Yard in England, is our safeguard in this respect. We have, as the house knows, declared many subversive societies, some with innocent sounding names, to be unlawful; we have made it a crime to retain membership in them. We have under the defence of Canada regulations picked up and interned hundreds of Germans and Italians whose activities were shadowed and watched by our secret service police, not just since the war began but during the past three years; our secret service were ready, and within twenty-four hours of the declaration of war with Germany, and later against Italy in June last, raids were carried out; the police swooped down, and the worst of these bad men, except those who escaped in time to the United States, were interned and are behind the palisades to-day.

We have now a new military ally, the United States, and the great peril in the United States to-day is the enemy within. Hon. members need not take my word for it; let me quote Mr. Edgar Hoover's statement made in August, a few weeks ago. This is what he said:

Make no mistake about it, the saboteur, or "sab cat", as he was known in world war days, has come back in force. Many of our vital factories are vulnerable to the menace of professional destroyers. We are now in almost exactly the same position as we were shortly before our entrance into the world war. If we are to be spared the repetition of such disasters as the Black Tom munitions explosion and other catastrophes which punctuated the activities of saboteurs twenty-odd years ago we should build our fences now, while undercover enemies can still be kept out.

And again:

There have been many mysterious efforts at incendiarism, injury to working parts of warcraft, and other activities of the "sab cat" to cause destruction. There will be more of this unless thousands of factories in America, upon which so much of our population depends for a living, realize that we are caught in a world torn with strife between violently opposing forces.

Next to Edgar Hoover perhaps no man in the United States is more familiar with the situation than Martin Dies, chairman of the Dies committee of the House of Representatives, who for the past two years with his committee has been investigating un-American activities. On August 26 he issued a public statement, in which he said:

There are to-day 6,000,000 sympathizers of communist, fascist and nazi organizations in the United States.

He concluded with these words:

The fifth column in the United States is better organized and financed than in any country overrun by Hitler.

I suggest, sir, that a great step has been taken, both in the United States and in Canada, to place industry in North America on a commonsense basis of production, so that the job of the saboteur will be made more difficult. The federal bureau of investigation, under J. Edgar Hoover, is doing a wonderful job in the United States. The Royal Canadian Mounted Police, under Commissioner Stuart Wood, at Ottawa, are doing a wonderful job in Canada. These two major agencies exchange information and work in close, friendly, international cooperation. If Mr. Hoover wants to know something from Ottawa he puts an agent on a plane and he comes here and gets it, and the same thing applies if we require information from Washington. No treaties are required for that.

But government agencies can do only so much in this way; they cannot perform miracles. Both these forces have a limited personnel, having regard to the enormous areas they cover. Part of my message I should like to put in this way, that if business men in Canada fold their arms and say, "We leave this problem to our secret service police," that is just like putting a beauty patch on a cancer and expecting to get a cure. The federal bureau and the mounted

police can give leadership and direction to industry as to how vulnerable spots may be made invulnerable, but the real defence in this regard rests on the shoulders of industry itself, from the high plant executives who sit round the board table right down through the key men, the mechanics, the doorkeepers and the waterboys. All down the line we have to assure ourselves of the closest cooperation in order to protect ourselves against sabotage.

I have not much time left at my disposal, but I should like to make a suggestion or two. First it seems to me that Canada has been a bit spoiled, from an international point of view, for a great many years. For a hundred years we have had the protection of the British navy on the seven seas, for which protection we never contributed and never were asked to contribute a dollar. For a long time we have had the friendship of the United States of America, and round our shoulders the sheltering arm of what is known as the Monroe doctrine. So as a young country we have been encouraged to remain in swaddling clothes, so to speak, in an international sense, so far as war and preparation for war are concerned. But we went into the last great war and did our bit, as we have gone into this war and are doing our bit again, as I believe the debate of the last few days has made abundantly clear.

We met here in September of last year and in four days declared war against Germany. It appeared to me that we saw the mother country, after exhausting every honourable means to bring about peace, with her back to the wall having to fight for her very existence. But we saw a good deal more than that. We believed that Hitler, Goering, Goebells, Himmler and all the rest of those bloodthirsty bandits were bent upon world conquest, and we felt that the quicker Canada did her bit to stop them before they could reach our shores, the better it would be for Canada. The first step towards defeating nazi poison is to realize that it exists, and the second step is to realize that it can be defeated. The nazis are not supermen. Gangsters have never been supermen, and we can carry that thought in our minds as we go forward with this struggle.

The Canadian people have responded nobly to the call. The recital by our ministers during the last week is amazing in its cumulative effect. There are just two incidents, so far as I know not yet touched upon, of which I should like to remind the house in reviewing Canada's war activities. The first is the work of young Davies and his Canadian pals of the London suicide squad. They have written the name of Canada across the horizon of the world in letters of flame. The second is the fact that the mothers and fathers of Canada, with loving, outstretched arms, have sought to receive little children from the dangers of the motherland. That has given a great deal of comfort to the British people and has shown that we in this country have not forgotten the teaching of two thousand years ago, to suffer little children to come and forbid them not.

I suggest, sir, that the destiny of Canada in the future outruns the imagination. Perhaps it will be our destiny to be the very spearhead of ultimate victory. We may look forward to paying a heavy price, as has been so constantly and, I think, properly emphasized, but in the end we will rejoice with Britain and the commonwealth nations that we were able to play a noble part.

In closing, Mr. Speaker, I would give you the masterful words of Winston Churchill, when he said:

> We have great reason for vigilance and concern—but no room for despair.

Mr. VICTOR QUELCH (Acadia): Mr. Speaker, while I realize that the question of first importance confronting us at this time is the effective prosecution of the war, nevertheless I offer no excuse for stressing the serious plight of agriculture in western Canada. I say that because if we are to make our maximum contribution in this war it is essential that every industry be maintained at its highest point of efficiency. No one in his sane senses could possibly suggest that agriculture is in a position to function efficiently as long as agricultural produce is being sold at the present disastrously low levels and, moreover, as long as the policy of the government remains so obscure.

Before I proceed to deal with the question of agriculture I should like to touch upon one or two speeches that have been made during the course of this debate. First of all I wish to comment on the speech delivered in this house this afternoon by the Minister of Finance (Mr. Ilsley). In essence his speech was the same as the budget speeches of last June and the previous September; and if I were to deal with it in detail, especially as it had to do with this group, I would be merely threshing a lot of old straw. I feel, however, that if, when dealing with this group, the minister had been prepared to answer a few questions he might have been in a sounder position, although on the other hand I might say he would have been in a more unsound position, because when you are engaged in the unprofitable task of building

up straw men for the purpose of knocking them down you are not in a very good position to answer questions.

Therefore I should like to remind the house of one or two important points. For instance, both inside and outside the house for the past five years we have continually stressed one point which we have considered absolutely fundamental, namely, that industry does not and cannot create an effective demand for its own production, except in times of abnormal capital goods production. And of course in war time there is a tremendous expansion of capital goods, in the form of armaments.

Consequently we realize that when maximum production is reached, if it is still necessary to make more goods available for war purposes, and if it is still necessary to divert more production from consumers to war purposes, then it will be necessary to increase taxation. We have always appreciated that fact, and if the minister had studied the amendment a little more closely he would not have fallen into the error he made when he said that at this time we are opposing taxation.

The amendment to the amendment is in these words:

> And this house further regrets the failure of the government to adopt a monetary policy that would permit a maximum war effort, without either increasing the debt or reducing the standards of living below that necessary for maintaining maximum efficiency.

That is to say, after the government has obtained all the money it can obtain by taxation, without reducing the maximum efficiency, then we maintain that any additional money that is required should be issued through the Bank of Canada, without debt. The minister stresses the fact that one of the main aims of taxation and bond sales at this time is to curtail the purchasing of non-essentials. I think the minister will agree that it would not be wise to curtail the purchases of goods essential, for instance, to health, because we have an abundance of such things. It would not be wise to curtail the purchase of primary products, such as fruit and fish; and yet, as a result of government policy, that is actually occurring at the present time.

I would strongly urge upon the government the necessity of telling the people just what are the goods we should refrain from buying. I find there is a tremendous amount of confusion in that regard. People are asking, "What is it we should stop buying?" They know very well that they should not stop buying primary products. They do not realize exactly what it is the government is trying to get them to do when it tells them to stop buying and to increase their savings.

I maintain that the government in adopting its present policy of drastically reducing the spending power of the people has overlooked two points of great importance. The first of these, namely, the drastic reduction in the people's purchasing power by taxation and bond sales could be justified only if we had already reached or were rapidly approaching a period of maximum production. I do not think that is the situation in this country to-day. Therefore we feel that instead of still further reducing demand, we should expand production and its distribution.

For instance, there are still thousands of unemployed in Canada to-day. The hon. member for Cape Breton South (Mr. Gillis) stressed the fact that in Nova Scotia there are many unemployed. Then, in the *Financial Post* of November 16 we find this, respecting unemployment:

> Failure to place several thousands of young men and women trained since last June for war industry, about 25 per cent of those put through the youth training programme, is imperilling the expansion of the scheme. It is abating the enthusiasm of some of the provincial governments, and without the cooperation of the provinces, the entire scheme of youth training would have to be recast.

In addition to that, there are many thousands of girls in their own homes throughout the country who would be only too willing and anxious to participate in any way possible in the war effort, but they do not know what to do.

Agriculture could be expanded along many lines, provided the farmer is guaranteed a price which would at least return the cost of production. I would point out, too, the absurdity of the present policy of the government in another respect. They are pleading with the people to save; saving is being stressed as a patriotic duty. At the same time there is a large body of highly specialized experts who are urging the people to spend. In the mornings I walk down from my room to the parliament buildings, and I pass a number of hoardings which have recently been built up. On these hoardings I am hold that I need a new car—"Eye it; try it; buy it." I see advertisements advertising new coats, and others telling me that I am ruining my eyesight, and that I should have extra lights in buildings. Then I may go down to a cafe to have breakfast. While there I may pick up a newspaper or periodical, either of which would be filled with advertisements. Thousands of those advertisements say to women, for instance, that if they are going to get their men they will have to maintain

that school-girl complexion. Others are directed to fat people, telling them that if they wish to become stream-lined they should buy reducing appliances. Others are directed to bald men stating that in order to make a thousand hairs grow where one grows to-day they should use a special kind of lotion.

One may read thousands of advertisements each of which is attempting to induce the public to spend more money on certain commodities. Then one may turn on the radio, and likely he will be deluged with soap. It is at once evident that if this type of advertising did not pay, it would not be continued. Evidently the companies interested are obtaining results. They are increasing spending, because of the campaigns they put on.

And so we have the battle between spending and anti-spending. On the one side we have the government urging the people to do everything in their power not to spend, and on the other we have the highly specialized business advertiser urging the people to spend. One is reminded of the picture of the two donkeys tied together, both straining in opposite directions. It is time we got together and worked out the matter on a proper basis.

Mr. JOHNSTON (Bow River): Eliminate both donkeys.

Mr. QUELCH: If it is essential that we curtail spending for the successful prosecution of the war, then what possible justification can there be for the employment of thousands of people all of whom are trying to make us spend? What justification can there be for thousands upon thousands of pounds of materials being used in this apparently subversive action?

So, Mr. Speaker, I would say this: Let us utilize the services of all the unemployed, in order to expand our production to the maximum. Let us pay the primary producer a price which will make it possible for him to meet the cost of production, so that he may expand his production in any direction considered advisable. Then let us stop all forms of unnecessary advertising. That is as far as I shall go in discussing the speech of the Minister of Finance. After it has been printed one will be in a better position to analyse it.

I should now like to say a few words regarding the speech of the Minister of Agriculture (Mr. Gardiner). I always find his speeches interesting. Nevertheless I do deplore the first part of the speech he delivered on this occasion. I do not think he did himself any credit, nor did he do credit to his party, or add anything constructive to the debates of the house. In other words, it was the typical sort of political bilge water which flows so freely at election time.

There was one statement which I believe should be challenged immediately. He intimated that the election results were an endorsation of the government's farm policy. In my opinion nothing could be further from the truth. I shall deal briefly with what I believe were the four main reasons why the government was elected—and certainly it was not through the agricultural vote.

The Prime Minister (Mr. Mackenzie King) made the main issue one of national unity and Canada's participation at the side of Great Britain. I believe he was right in making that the national issue. It was stressed to such a degree that many people felt that a vote against the government would be considered abroad as a vote against participation with the British empire. If any hon. members read newspapers from abroad after the election they would know that was exactly how it was considered. The foreign papers stated that Canada had shown by the election that she was solidly behind Britain.

The next was what one might term a piece of political trickery in calling the election in the month of March. March is probably one of the worst months for the rural voters to get out to vote. As a rule in that month the roads are either blocked with snow or just opening up. I understand that in many rural constituencies it was practically impossible for the voters to get to the polls. In my own constituency two polls never even opened because the returning officers could not get through. In a number of other polls there were only four or five people who were able to vote. The agricultural vote in my constituency averaged less than thirty per cent, while the town vote was over seventy per cent. I think in that regard it is shown that the election was not an endorsation of the government's agricultural policy because in the majority of instances the farmer never had a chance to vote.

The third point to which I should like to refer is the splitting of the progressive vote. I am not blaming the Liberals for this, although they might be blamed in some respects. Until such time as the progressives throughout the country, whether they call themselves Social Crediters, Cooperative Commonwealth Federation or any other name, have sufficient sense to get together, work together and cooperate they will not deserve much representation in this house, and just so long will the forces of reaction continue in power at Ottawa.

The next point with which I want to deal is the vicious misrepresentation carried on during the election. It will be remembered that in September last this group took a definite stand and advocated the mobilization of the resources of Canada in order to make as great a contribution as possible to the war effort. We advocated the mobilization of the financial resources, the mobilization of the industrial resources, and, lastly, the mobilization of man-power. During the election campaign we were attacked in the press, over the radio and on the platform as advocating the conscription of man-power, no mention being made of the fact that we had advocated, first, the conscription of our financial resources; second, the conscription of our industrial resources, and then the conscription of man-power. Just the one thing was mentioned. Time and again we were attacked by Liberals who stated that if they were put into power there would be no conscription. Yet within a few months after the Liberal party was elected the mobilization bill was brought down and now we have conscription. I am not attacking conscription; I am attacking the Liberal party for being willing during a time of national crisis to try to obtain votes by taking a stand which they knew was contrary to the welfare of this country. I would not have raised this question if the Minister of Agriculture had not in his political harangue tried to create a false impression of a most mischievous character and one which, if believed, in eastern Canada might prove of great harm to western Canada.

Coming down to the subject of agriculture, at the outset I want to make it clear that my criticism is not levelled against the Minister of Trade and Commerce (Mr. MacKinnon). We realize that the wheat marketing problem did not arise yesterday, did not arise since the declaration of war; it has been growing steadily in magnitude ever since 1922 when the European nations first increased their production and decreased their imports. From 1922 to 1939 the wheat acreage of the world was expanded by somewhere in the neighbourhood of 52,000,000 acres. After the war the problem was greatly accentuated and to-day it has obtained major proportions.

It is true that this problem has been dropped into the lap of the Minister of Trade and Commerce, but we feel that in reality it is the responsibility of the Minister of Agriculture. I say this because it is largely as a result of the policies advocated by the Minister of Agriculture that the problem has reached its present proportions. On many occasions in the past the Minister of Agriculture has stated in this house that his policy was to make it possible for the small farmer in western Canada to make a living. He stated that he was interested in building up a prosperous rural community. Furthermore he stated that he was not interested in helping the large farmer further to expand his operations. I think we are all agreed that that is a sound stand to take. I would point out, however, that unfortunately the results of the minister's policy have been just the opposite—there has been a gradual elimination of the small farmer. I am able to use the word "gradual", because provincial debt legislation has made it possible to guarantee the farmer security of tenure, even though his position might be one of financial bankruptcy.

The inevitable result in the grain belt of western Canada of a continuation of the present wheat policy will be that it will become an area of large mechanized units. The small farmer will be driven from the land and our rural communities will disappear. Many towns will become ghost towns, and depots will be moved out wholesale by the railways. Does the Minister of Agriculture consider that to be a satisfactory picture? Whether he does or not, the point is that this is actually what is happening to-day in the west. A very good article was written by Mr. Nesbitt, the publicity agent of the wheat pool, showing how this was happening, how it was the logical consequence of certain policies which have been pursued during the past few years.

Why do I say that this will be the inevitable outcome of the government's policy? I say it because we all know that it costs the half-section farmer considerably more to produce wheat than it does the man with the large mechanized farm. Figures have been quoted on many occasions, and many hon. members have referred to the evidence of Professor Hope given before the Bracken commission. He pointed out that a half-section farmer, raising twenty bushels of wheat to the acre, would need 72 cents a bushel in order to meet his costs of production and debt charges. The section farmer would require 61 cents; and the two-section farmer, 51 cents. These figures are based on a yield of twenty bushels to the acre, whereas for the past ten years the average yield in Canada has been only fourteen bushels to the acre. I would remind the house that the acreage bonus is paid only when the average yield is twelve bushels to the acre on a township basis. Under these circumstances the farmer would have to receive considerably more than the amounts quoted by Professor Hope. In all

probability the average price this year will be 45 or 47 cents a bushel, or even lower. Not only will the small farmer receive nothing for his labour, but he will be forced considerably deeper into debt. That is why I say the small farmer will be eliminated, while the large farmer will be forced to expand his operations in order to reduce his overhead.

If the policy of this government is to try to build up prosperous rural communities we feel that instead of having a guaranteed price for wheat based upon the cost of production on the large units for all the wheat a farmer raises, we should have a guaranteed price based upon the cost of production on the smaller units for a limited quota per farmer. This would not entail a restriction of acreage. The government could continue with their policy of taking marginal land out of production. For a limited amount of his production the farmer would receive more than he is now receiving for his total crop. Any wheat in excess of the amount of the quota would have to be stored by the farmer, and it would mean that in a crop failure year he would be able to sell his surplus on the quota. In other words, it would act as a form of crop insurance.

Throughout the west and in other parts of Canada at the present time the government are being attacked for their lack of a sound wheat policy. They have been charged with bungling, but to me the bungling seems to be so flagrant that I doubt very much whether it is a matter of bungling at all. I am more inclined to believe that the situation exists as a result of a deliberately planned policy, for the following purposes: first, of putting into effect the proclaimed Liberal policy of expanding foreign markets and the maintenance of a favourable balance of trade; second, dealing now with the immediate situation, a plan of enforced saving.

To come back to the first of these two: in order to expand foreign markets and maintain a favourable balance of trade, under the usual orthodox policy the general practice is to maintain, on the one hand, as we have done for the past six years, a low standard of living, in order to reduce the demand against imports, thereby maintaining a favourable balance of trade, and, on the other, a low price for agricultural products, in order to make it possible to undersell our foreign competitors.

The result of this policy internally has been a great deal of unnecessary suffering. I say that because it would have been possible, by increasing our production, to maintain a favourable balance of payments and at the same time to maintain a higher standard of living. During the past six years the production in secondary industry has been less than thirty per cent of its capacity. The result externally has been a condition of international friction, because when you refuse to accept the imports of other countries in payment for your exports you are making it impossible for those nations to acquire the raw materials they need, unless they are prepared to go into debt. I know that the Prime Minister (Mr. Mackenzie King) has always complimented himself upon working for peace, but I would point out that any government which has a policy depending upon international competition instead of international cooperation is not working for peace. It is bound to result in international friction, and international friction leads to war.

Coming back to the second point, that of compulsory saving, we find in western Canada many farmers in a serious plight, owing to the fact that they have threshed a large crop and have been able to sell, perhaps, only a small proportion of it; or if the grain was tough, they were not able to sell any of it. Unfortunately, in many instances ten to twenty per cent of the crop, on account of its not having been threshed, still remains under the snow. The reason for this was that the elevators were refusing to accept tough grain, and the farmers held back hoping that the weather would clear in order to make it possible to thresh the grain dry. Those farmers who had sold only a small proportion of their crop were depending upon obtaining from the government an advance on the wheat that they had in farm storage, and they were justified in that expectation because of certain statements which have been made by cabinet ministers in this house and in interviews. But now, apparently, the government, in their insane desire to reduce the spending power of the people, have given up all idea of making an advance. If I am wrong in that assumption I hope the minister will correct me.

So, as a result of this policy, many farmers, in spite of the fact that they have threshed a large crop, find themselves practically destitute. It will be necessary for them either to seek relief or to get an advance of credit from the local storekeeper. Unfortunately, generally speaking the storekeeper in the rural communities is in no better position to finance the farmer than is the farmer himself. It is true that, according to the wheat policy, a storekeeper may accept wheat as collateral against a debt. On the other hand, few storekeepers have the storage facilities available to handle this wheat. Even if

they do take it they are not able to pass it on to the wholesaler, who, of course, demands cash and will not accept wheat. Therefore, although being able to accept wheat as collateral against a debt may make it possible for a storekeeper to collect an old debt, it does not help to solve the question of financing current expenditures.

Speaking in this chamber on August first, the Minister of Trade and Commerce made this statement:

> Unless something is done to make available to the farmer more money than, owing to elevator capacity conditions, he can obtain from his first deliveries, there will be widespread suffering, and there would be widespread necessity for relief.

Later on, in an interview printed in the *Western Producer* of September 26, he points out that the government is working towards ways and means by which these advances can be made, and he ends up with the statement:

> The wheat committee was ready to go ahead with that plan, and still is ready to do so.

In spite of that fact, as the house is aware, no advance has been made, and the reason given is that the banks have refused to finance the operation. It seems to me a rather humiliating position for any government to find itself in, that after a government has decided that advances should be made it has to back up on its proposals on account of the fact that the banks will not make available the credit necessary for these advances. I admit that I find it hard to realize that the leader of the Liberal party to-day is the same man who in 1935 appealed to the people of Canada for election on a programme of monetary reform. I believe hon. members will remember the statement he made at that time, that if the Liberal party were elected to power there would be a great battle in this country between parliament, representing the people, and the money power, for the purpose of regaining to the nation that which had been lost, the control of the issue of currency and of credit in order to make that currency and credit available in terms of public need to meet the industrial, social and domestic requirements of the Canadian people. Has anybody seen any evidence of that battle during the last six years?

Mr. JOHNSTON (Bow River): The banks won.

Mr. QUELCH: The only sign I have seen of any battle is a battle on behalf of the banks.

Mr. JOHNSTON (Bow River): A sham battle.

Mr. QUELCH: Yes, just a battle to fool the people.

I do not think anybody will dispute my statement that the wheat problem in western Canada to-day is a national one. Have we not the right to expect that the banks will be willing to monetize the farmers' wheat? Surely it is well worth monetizing. It is not perishable. It is a rather servile position for a government to be in, after investigating the problem and deciding that some action should be taken, to be told by the banking interests that they will not make this credit available.

Some of us in this house may in the past have been fooled as to what exactly was the true relationship between the Bank of Canada and this government. We were told, for instance, that the Bank of Canada was the instrument of the government. Two years ago we were very quickly disillusioned on that point, because Mr. Osborne, the deputy governor of the Bank of Canada, speaking to the board of trade at Ottawa, told them that no self-respecting central bank would accept from its government a policy with which it did not agree. I suppose the Bank of Canada is a self-respecting central bank. So, apparently, the tail wags the dog; the Bank of Canada decides the policies for this government. Who, I wonder, decides the policy of the Bank of Canada?

We in this corner have always believed that the policy of the Bank of Canada is dominated by the Bank of England. That is why we called for the tabling of the correspondence between the Bank of Canada and the Bank of England. We were refused access to that correspondence. Who controls the policy of the Bank of England? Members of parliament in Great Britain have asked for the names of the shareholders of the Bank of England and that was likewise refused them. All I have to say is this, that whoever are the controllers of financial policy in Britain and whoever are the controllers of financial policy in Canada, they have not for the past six years shown any real interest in the welfare of the Canadian people. In many ways one may charge that by their actions they have shown themselves to be good friends of Germany.

Before leaving the wheat question I would briefly summarize what in our opinion would be a sound wheat policy for the dominion. First of all there should be international co-operation instead of international competition. We feel that the four major wheat exporting nations—Australia, the Argentine, the United States and Canada, providing over 80 per cent of the world's exports of wheat—

should get together and decide on a fair price for wheat, and then they should decide upon an equitable export quota for each of them.

Further, I suggest that Canada should maintain a 100 per cent wheat board, discarding the grain exchange and taking over all grain-handling facilities. I know that the Minister of Agriculture would approve that, because in April, 1939, speaking in this house, he said that if we continued to market wheat through the wheat board, then the only logical thing was to take over all grain handling facilities.

We feel that the government should be prepared to provide storage and take delivery of at least a stipulated quota per individual farmer, these quotas, in the aggregate, to be based upon the following considerations: (1) export requirements; (2) home consumption; (3) at least two years' reserve supply. Moreover, we are of opinion that the government should guarantee a price for the individual quota of the farmer, of at least $1 a bushel at point of shipment. There would be no restriction on production. The government would continue to take marginal lands out of production and the only restriction would be on deliveries. The farmer would have to provide storage for his surplus. This would constitute a form of crop insurance, so that in good years the farmer would have to hold a certain amount of wheat on the farm, and if he had a crop failure he would then turn in towards the quota what he had held in good years. The point is that on the limited amount sold he would obtain more than he receives for the total crop to-day. The farmer's quota would be based on average production of the former years, with a minimum quota to the small farmer. We are of opinion that a policy based upon such proposals would help to maintain agriculture on a sound basis and promote a friendly relationship with foreign nations.

Mr. H. R. JACKMAN (Rosedale): May I first congratulate the mover and the seconder of the address in reply to the speech from the throne, namely, the hon. member for St. Lawrence-St. George (Mr. Claxton) and the hon. member for Provencher (Mr. Jutras). Not only were their speeches of a high order, but they contained references to many items, even of major policies, which might well have found a place in the speech from the throne itself. What I am concerned with, however, is the feeling of lack of confidence on the part of many Canadians in the present Liberal administration, and the cause and removal of that lack of confidence.

I accept the verdict of March 26—as of March 26. It was not, however, the result of absolute or unqualified confidence in the present Liberal administration. Even at the best, approximately one-third of the people voted for the policies for which my party stands, and I should like to take this occasion to say that, contrary to the amusement which some of the Liberal administration seem to derive from a false conception, I—like many of my fellow members—ran and was elected as a straight Conservative supporting the policy of national government, a policy which as a war measure I believe to be the only sound policy. Those supporting our party, together with those who supported the other two opposition groups, constituted nearly half the people of Canada. The representation in this house might not indicate it, but nearly half the people showed their lack of confidence in the Liberal administration.

That administration, in the eyes of many, carries on what can be described only as a partisan war effort, for only the inner group of Liberals know what is going on and what, if any, the government's long range policies are. Thus Canada has the invidious distinction of being the only British dominion where the government in power remains political in character and has not considered it worth while to gain the confidence of all the people, to say nothing of adding to its strength.

We have heard the Prime Minister (Mr. Mackenzie King) play with words and ascribe to his government the term "national," possibly because its members have their homes in every province of Canada or possibly because with one exception they are all either lawyers or school-teachers. A truly national government must have in it representatives of all substantial bodies of political thought, including labour, having one common objective—to win a speedy victory overseas. As members of a true democracy, we accept the situation, but the case of those who have never had confidence in the administration, and those who have lost it since March 26, is deserving of the attention of this house.

I do not intend to try to rekindle party strife but rather, on the contrary, I should like to rekindle the spirit of national unity. May I assure the house that one's only interest can be the winning of this war and, perforce, making the present ill-suited political administration work so that the greatest contribution may be forthcoming from all. This government must give all the people, irrespective of party affiliation, confidence in its administration. That is a tall order for a party government. Would that our Prime Minister could say, in the words of the great Churchill, uttered in July of this year:

I stand at the head of a government representing all parties in the state, all creeds, all

classes, every recognizable section of opinion. We are ranged beneath the crown of our ancient monarchy. We are supported by a free parliament and a free press.

We in Canada must likewise present a united and confident front to a threatening dictator. Lack of confidence is due not only to the fact that we are not told, the fact that the people were misled as to the nature of the country's effort during the first nine months of the war, the fact that there has been failure to form a national government. There has even been failure to appoint to the cabinet men who were first of all outstanding Canadians before they were outstanding Liberals. For example, the greatest industrial and mining centre in Canada and the greatest taxpaying community, contributing approximately one-third of the total income tax, the city in which lies the constituency I have the honour to serve, is without representation in the cabinet of this government.

Mr. FRASER (Northumberland, Ont.): They elected you; that is enough.

Mr. JACKMAN: I said that city is without representation in the cabinet of this government that is carrying on the war effort. When the Prime Minister tells us that he cannot find great Canadians, be they Liberal or Conservative, who will accept office in his administration, there must be a reason. Perhaps it is because of an insistance on personal loyalty. Perhaps the positions offered were not of a sufficiently high order to command the services of the men approached, or perhaps those positions had encumbrances attached or were otherwise unsatisfactory. Can the Prime Minister in time of national crisis, having in his gift the greatest honour this country is capable of conferring, not attract to the privy council men who are outstanding Canadians and who may be of non-partisan political views?

If I had to limit the explanation of that lack of confidence to one sentence I would say, We are not told. With good reason, many of us do not attribute to that government virtues or accomplishments which are not self-evident.

In September, 1939, when Canada declared war, the English-speaking element in our population were given to understand that it would be a full-out effort, that Canada was to become the arsenal of the empire. On June 18, 1940, when the Emergency Powers Act was being discussed we learned on the authority of hon. members that this government gave one section of the country to understand that our participation in the war was to be a full-out effort, and another section to understand that our participation in the war was to be "free, voluntary and moderate."

Mr. HANSON (Skeena): On a point of order, has the hon. gentleman now reading his speech prepared it himself, or has someone else written it for him?

Mr. JACKMAN: I am speaking for myself. Nine months after the declaration of war the Canadian Manufacturers' Association at its convention in Winnipeg drew up a resolution which was forwarded to this government and which stated that Canadian manufacturers had not been called upon to render assistance in the making of war materials to any appreciable extent. If we are sceptical now when we receive information from this government, it is because the veriest simpleton knows that "once bitten, twice shy." If the action of the government in failing to carry on a vigorous war effort belies its announced policy, is it a sufficient answer to the Canadian people that the government took its cue from the British government who at that time still believed in the success of the policy of economic strangulation? I understand it was not so in Australia. Surely if there is one element which would give us a colonial status it is having a colonial mind. Let us think for ourselves and strive for mental autonomy as the first requisite and attribute of political autonomy. Perhaps nothing could better exemplify a need, if not the need, of an imperial war cabinet. In a democracy it is the duty of the government on a question of major policy such as our part in the war to acquaint the people with what the policy of the government is.

Consider the fact that in Great Britain parliament has been in virtually constant session. In the first fifteen months of this war we have been in session for scarcely one hundred days. Could anything be more obvious than that the cabinet, either or both, (1) considers the membership of this house useless or unrepresentative of or not responsible to the people of Canada; or (2) prefers to carry on as a dictatorship through orders in council having the force of legislation, of which 6,500 have been issued since the first of this year?

This house has heard from several ministers some factual accounts of what the government has been doing. I might say that I do not recall the hon. member who interrupted me a moment ago rising to interject his question when the ministers were making their statements, and I doubt very much whether they could have given the same answer as I gave.

Another department, of the doings of which we have not yet heard, and which is a key department in the carrying on of our war effort, is the Department of Labour.

My chagrin was never greater than when the Minister of National Defence (Mr. Ralston) told this house that he was not going to tell us anything new; that it had all appeared in the papers, but that it might serve a useful purpose to have it formally placed on the record. As promised, his was a dry speech which told us nothing new except that after the next two training periods the period would be extended from one month to four months. Everyone knows that a period of six months would be a minimum. In the United States they consider a year little enough.

What did we learn about the policy of his department? From the senior Minister of National Defence surely this house has the right to know how and why he proposes to raise a large sized army, and why only one dollar should be spent on the Royal Canadian Air Force for every two dollars spent on the land forces; what proportion is being spent on the navy; are destroyers, corvettes or freighters likely to be the crying need; what do present plans call for? We heard something of future plans from the Minister of National Defence for Air (Mr. Power) and the Minister of National Defence for Naval Services (Mr. Macdonald); but why are they doing that much, and why only that much? Of course it is understood that schedules are subject to change by reason of subsequent events; but how large an army does Canada contemplate, how large a navy, how large an air force; how much money is to be spent on each; how much is to be spent on home defence preparations, and why; how much is to be spent on the first line of defence, which to-day is in Great Britain and Egypt? How is the war effort being coordinated? What uses are the pieces of a jigsaw puzzle if you have not the picture before you?

These are questions of policy about which the Canadian people have a right to know. Perhaps this house can contribute something to the brain trust—many of whose members are drawn from outside the membership of this house—which is now carrying on the business of government of this country. Is it to be the policy to spend every available effort and every possible dollar in creating a greater Royal Canadian Air Force, as some believe should be done? Only last week the Minister of National War Services (Mr. Gardiner) was reported in the press as saying that aeroplanes serve chiefly to demoralize the enemy, that we must have vast mechanized land forces to ensure victory. If the principle of cabinet responsibility still applies—

Mr. HANSON (York-Sunbury): Cabinet solidarity.

Mr. JACKMAN: Cabinet solidarity, then—are we to take that as the considered opinion of this government, or are we to regard it as the care-free expression of a man who is happy to be safe once more on the shores of Canada? One thing which no British people have ever done since democratic principles prevailed has been to leave the deciding of general war policy to those who in the popular mind are known as brass hats. It is their function to carry out the policy; it is the duty of parliament to lay down that policy.

Is this country fully cooperating with the British war purchasing board in the United States and the war department in Washington in the purchase of supplies; and if so, since when? Or do we still demand United States steel, to be paid for in United States exchange, for the construction of the railway station in Montreal? The answer is yes. The same effort cannot be spent in two places. This country has only so much of human and material resources to throw into the war effort. The direction which we give to those resources and to that effort is all-important and may decide the issue. In his speech the Prime Minister pointed out that the enemy now exceeds us in the production of iron, steel and aluminium; and unfortunately, owing to the victories which the enemy has achieved to date, he has greatly increased his capacity, so that his margin over us is greater still. We in Canada can contribute only so much. It is important that we contribute that effort where it will do the maximum good. To ensure victory we must be skilful in direction, great in production and unsparing in sacrifice. Realizing that we are the second most important nation fighting against Germany, it behooves us to remember that often much good work is spoiled for want of a little more.

The members of this house and the people of Canada cannot measure the activities and results of this government by explanations as to why, after nine months of war, some units had rifles with which to train and others had not; why some had Bren guns and the officers were allowed five rounds each, while some had the guns only "briefly"; why boots and socks were not part of the regulation issue to non-permanent units in war time, when they should have been. Is the minister going to take refuge in the moribund peace-time regulations governing a starved militia? We cannot judge the war effort of the government

solely by explanations as to why tanks did not exist and were not ordered in Canada; why signalling equipment, even though the order had not been placed, was not forthcoming from England until long after the proper army authority had requisitioned the equipment; by innumerable contracts let but unfinished; by a maze of detailed information; by paeans of self-adulation and the dulcet tones of the Canadian Broadcasting Corportion, which invariably ends each government broadcast with the ringing words, "I am happy to say we are ahead of schedule." In a struggle for life and freedom we can never be ahead of schedule. What is that schedule, and why?

Is this house to receive reports for its guidance—and when—from the advisory committee on economic policy, the wartime prices and trade board, the national labour supply council, the United Kingdom air liaison mission, the newly formed wartime requirements or priorities board and the many other organizations that have been set up? These are the boards that are running the business of government, which to-day is by far the greatest business in the country. What are the reasons for the findings of these boards, which the ministers may or may not accept in determining the policies of their departments? This house will appreciate the difficulty of playing even a game of euchre with a mirror behind one and a stacked deck.

Full publicity is a prime requisite to an informed public, and the radio is probably one of the most effective means of publicity. Therefore it would seem to be of great importance that public confidence in the government-owned radio should not be impaired. In view of the charges made by one of the directors, who has been with the organization since its inception, who was one of the protagonists of a publicly owned radio, and who previously had made several reports on this organization, I urge the Minister of Munitions and Supply (Mr. Howe) to call together during this session a parliamentary committee in order that these charges may be considered and changes made or confidence restored.

Members of parliament, Conservative, Liberal, Cooperative Commonwealth Federation, and Social Credit, representing the people of Canada, are interested in learning something of the nature of the complicated problems which this government is facing or is about to face. What is now being done to prepare the Canadian people to make the inevitable sacrifices which will have to be made in their standards of living if we are to win this war?

The Minister of Agriculture (Mr. Gardiner) touched upon the great problem of agriculture. His five-year plan does not solve the distressing situation with which the western wheat farmer is confronted in the winter of 1940. I do not claim first-hand information on western conditions; but if there is as much generality as there is truth in the accounts of conditions on some western farms, then more must be done for the western farmer than this government appears willing to undertake. When I heard the Minister of Agriculture outline the supply of Canadian wheat and our possible sales over a five-year period, ending with a perfect carry-over of 100,000,000 bushels, I knew that if the minister was a good teacher forty years ago he must have been an even better pupil fifty years ago, for when he came to arithmetic he must have first looked up the answers in the back of the book. Whatever the long-term solution of the western wheat problem may be, it is the duty of this parliament to see that no human suffering results, particularly in those sections of the country where there are cases of extreme hardship.

To inspire confidence in the government, what else must be told, if the government has any policy to tell? What are we to believe about the need for harnessing industrial manpower and woman-power to the war effort of Canada? It is recognized by all that increased industrial output is as necessary to the fighting forces as food is necessary to a starving man. When we consider the five-year start which the enemy has in the production of armaments we realize that we and our allies cannot produce too many of the instruments of war. Even in 1938 Germany's expenditures on armaments amounted to $4,400,000,000. Between 1935 and 1939 her own industrial capacity increased by fifty per cent; and now, if rumour be true, further sources of supply are being made accessible to our enemy.

If there is not an acute shortage of labour in Canada after more than a year of war, then I say it is a striking condemnation of this government. I would ask the Minister of National War Services (Mr. Gardiner) if in Great Britain the government permits the enlistment of workers in certain reserved occupations. Only last Friday the Minister of National Defence told this house that his department was not in competition with war industry but in cooperation with it, and he also spoke of methods whereby that co-operation might be made more effective. The less publicized but sometimes more informative bureau of well-informed rumour has it that the Minister of Munitions and Supply

(Mr. Howe), who is responsible for the industrial war production, does not see eye to eye with the Minister of National War Services with regard to the impact of military training on certain needed workers on war orders. What is the policy of the government, and is there any uniformity among the various departments? How is the coordination effected, and who is the coordinator? It is common knowledge that the real bottleneck of our industrial war effort is the lack of highly skilled workers, even though they may comprise as little as five per cent of the total, as stated by the Minister of National War Services who, like a peace-time tourist, spends two weeks in a country and then writes a book about it. The bottleneck is like the weak link in a chain; it is the gauge of its strength.

What has the government done in preparation for the need in connection with the upgrading—to use the term current in the old country—and the training of mechanics for the highly skilled jobs of toolmakers, patternmakers, precision workers and expert machinists? Time is too short to turn out fully qualified experts, but men can be trained to be proficient in particular trades, and specific branches of those skilled trades. There are still good workmen in my constituency who have not regular employment, because they have not the expert skill required for some particular job in connection with war orders.

I understand, as has already been mentioned this evening, that there has also been failure to place approximately 25 per cent of those trained since last June for war industries, under the youth training plan.

Mr. McLARTY: I do not wish to interrupt the hon. member, but I know he would like to state the facts correctly. In making that statement I have no hesitation in telling him he is incorrect.

Mr. JACKMAN: Then I think in fairness I should ask the minister what the percentage is. These figures are taken from the *Financial Post* of a few weeks ago, and there may be a discrepancy of 4 or 5 per cent. It is only fair that the minister should answer the question.

Mr. McLARTY: I believe the occasion may come when I shall answer it. I will say that I believe 25 per cent is too high a percentage of those not absorbed in industry, and who have taken a basic training in our vocational schools.

Mr. JACKMAN: If the minister has not the figures I could hardly be expected to have them myself. It does seem too bad that these men trained under the youth training plan should not be able to find work in times such as these.

What means does the government have of making known the needs of industry in one town to workers in another town? May I say that this question is very much in point. Labour is just as important as uniformed men, and it is a singular omission on the part of the government that this house has not yet heard from the Minister of Labour (Mr. McLarty). Will he tell us something of the work of the national labour supply council? I may tell the minister who, we all know, is extremely good-natured, and perhaps takes these things in the manner in which we would wish him to take them, that his portfolio is as important as any in the government.

Will the minister tell us about the work of the national labour supply council with its membership of twenty-two leading Canadians? Will he tell us why on November 7 a new labour board was announced, consisting of six departmental heads? When was the need for that committee first discovered, and is it charged with promoting coordination? I shall read the description of the duties of the board, as they are set out in a newspaper:

> . . . charged with promoting coordination, anticipating man-power requirements, considering the need for training special groups of workers, maintaining contact with war industries, obtaining the "considered opinions" of employers and employees, eliminating war industry competition, and formulating plans for the transfer of employers and employees from non-essential to essential war industries with the least disruption.

Who or what has been doing that work in the last nine months—in fact, in the last year? If no one has been doing it, why not?

As I said in the house last June:

> The first thing in order to put forth our full war effort industrially and make of Canada, as the Prime Minister stated last September, the "arsenal of empire", is training for our workers and multiplication of the lower grades of workers by intensive mass instruction, and to bring in a regiment of women and other workers from non-essential trades. The second thing in the planning of this much needed task is a proper distribution of the workers in the proper industries.

Time does not permit elaboration of other points, but opportunity will no doubt shortly be accorded to discuss at greater length those factors which the government knows the people of this country must face, but about which it prefers to maintain a political silence. From a certain point of view the Prime Minister has an extremely happy faculty of timing his policies. If it is admitted that one cannot act in advance of public opinion,

surely in a time of crisis the Prime Minister will do something to inform that opinion as to what inevitably lies ahead.

The war must be won. Canada's contribution is limited only by her human and material resources. The measure of our war effort is but the sum total of the war effort of the individual. What more can the individual do? What more must he do? In one word —sacrifice. The great majority of the population—and I except only those whose standard is already too low—must be willing to experience a lowered standard for the sake of keeping our country free from foreign domination. We may be thankful that in some commodities we already produce far more than we require.

If a single soldier, sailor or airman is prepared to sacrifice his life, then we at home are prepared and willing to sacrifice our comforts and our necessities, if it will help to win this war—and it will. There are no longer any half-way measures, and speed of preparation is vital. He who serves now serves twice. The civilian population, under a full-out plan, must give up purchasing those articles which compete with war production. I refer to those articles requiring the use of iron, steel, aluminium and certain other essential war materials. More specifically, I urge the government to tell the people of Canada that the purchase of a whole list of articles containing such materials should be avoided or postponed. This is doubly difficult in the face of rising family incomes, after a period when families have had to do without many of the things we have come to look upon as little less than necessities.

In turn the money represented by those increased incomes must be saved and invested in war savings certificates and war loans in order to pay for this war from day to day, so that there will be money for payrolls at the end of the week. The happy day will come when that saved money will be just as welcome as it is now, if not more so. In the meantime the government is giving interest on the savings.

The consumption of articles which must be imported from the United States should be restricted. Gasoline is one. There are many others. The advertisements of our department stores urging the purchase of empire products is to the point, but more should be done. To-day Canada can pay for United States products only with the proceeds of goods and services which she sells to the United States. On balance we have always bought more merchandise from the United States than we have sold to them, and the balance is running heavier against us every day because of our tremendous purchases of aeroplanes and war supplies in that friendly country. There is nothing unfriendly to our great, good neighbour in this attitude. We shall spend in that country every United States dollar we have available for essential war supplies, and if they will lend us United States dollars we shall no doubt spend those also. In the meantime we have only so many United States dollars, the only kind we can use, to spend in that country and the problem is what United States goods are most important to us to-day. We cannot spend the same dollar twice. We must subordinate our comforts to the need of equipment for our fighting forces. There is no alternative.

Why does the government not tell the people what we are up against? Is there anything in the argument that we are fighting for democratic principles and that too much interference with the individual's right of living his own life and spending his money as he chooses savours of regimentation? Democracy has never stood for licence, but has always stood for liberty. When a democracy is fighting against a power which wages total war and the destruction of women and children, then some of the attributes of peacetime liberty become nothing but wild licence. Our willing acceptance of the duties and responsibilities of our citizenship at the present time is nothing more or less than the acceptance of that spirit of sacrifice which is at the same time the key and the strength of our Christian faith. When it comes to sacrifice for that which we believe to be right, there is no pagan religion of nazism which can hold a candle to the sacrifice and fortitude of those who fight under the banner of Christianity. Nothing makes a people feel its common brotherhood like fighting for the great cause of freedom, and where there is equality of sacrifice, who minds the extent? If, for example, we should have to resort to gasolineless days, who will mind walking if cabinet ministers also have to walk? Such a sight would be a source of strength as well as pleasure to all the people.

We have in Canada the most magnificent people in the world to whom to appeal. When the need is shown to them, their response is not exceeded even by that of the people of Great Britain. This spirit was shown by their magnificent response to the second war loan when it was obvious to all that its failure would be a reflection on our country, likewise by the spontaneous offering of their services by 200,000 volunteer workers in carrying out the national registration. The best results will come from an informed and understanding people. Never underestimate that spirit. The results obtained by the spontaneous coopera-

tion of an understanding people far transcends that which can be obtained by coercion. This parliament must give the lead in education and understanding. Let the members and the press be the means of conveying that understanding.

The king's ministers, forming the executive of this government, are responsible to this parliament. I have no doubt that because of the sheer force of numbers the opinion of the government party will prevail; nevertheless it is the duty of this parliament to decide in open debate what shall be the policy of this country. Otherwise what would be the purpose of bringing us here? Is the government to be permitted to assemble the representatives of all the people for the sole purpose of stating that which has been told already, and after the Prime Minister has shown to the world that the institution of parliament has been observed by due perfunctoriness and adequate lip-service, to send us all home like a lot of schoolboys, while he retires to his sanctum with a wily smile and an irrepressible chuckle?

The people of Canada know the character of the enemy. We know that Hitler stands for doing away with personal freedom and for submission to the nazi overlords. We are prepared to work, to sacrifice, if necessary to die, in order that we and our children may continue to live as free men. Woe betide the leaders who do not lead. We are not told. We must be told. We are prepared.

Mr. HARRY LEADER (Portage la Prairie): Mr. Speaker, Canada is a democracy and parliament is the very bulwark of that institution. I think all hon. members appreciate the great privilege of being sent to this House of Commons by the different districts of this great dominion in order that we may voice the opinions of the people we represent as well as our own. I come from a farming district in which is situated a fair-sized city. I was born on a farm and I have never lived anywhere else. Therefore I think it is perfectly natural that I should have something to say for agriculture. When I speak for agriculture I know that my electors in the city of Portage la Prairie know that I speak for them, because the prosperity of that city is entirely dependent upon the prosperity of the surrounding country. I think sometimes the people of the larger cities forget that they owe much of their prosperity to the initiative and hard work of the agriculturists.

I want to pay a tribute to the Prime Minister (Mr. Mackenzie King). I want to pay it at this time because of his work in fostering friendship with our great neighbour to the south. I am sure that there is not another man in Canada who has done more to bring this about. When history is recorded, I believe that he will be given premier honours. I am thinking particularly of the trade arrangements which he made with the United States. I am thinking of what they mean, not only to Canada but to all concerned. I have always taken the stand that a trade arrangement in order to be lasting must be mutually satisfactory to all those whom it affects. I believe that this was always in the mind of the Prime Minister when he was dealing not only with the United States but also with the mother country, Great Britain.

I am happy to be able to recall that when, in 1936, I took occasion to speak on these trade treaties, I said that the treaty was more than a trade treaty, it was the hand of friendship stretched out to a nation that was our kin. Then, in 1939, when this treaty was renewed for another three years, I took the attitude that the most important thing about it was that it had at last brought the mother country, our cousins to the south and ourselves around a table, and that we had negotiated a treaty beneficial to all concerned. In my view a great deal was done through these treaties to cement the friendship which stands us in such good stead to-day.

Hon. members know that the exchange of fifty destroyers for naval and air bases in the western hemisphere was a direct result of the friendship which Canada always exhibited towards the United States. I say that is absolutely true; and I believe that the joint defence scheme of the three democracies, in which we can include all of the British empire, will be the means of defeating the evil forces of nazism which oppose us in Europe.

Our war effort, of course, engages the attention of everyone in this house and outside. Speaking as a farmer, I want to assure you, Mr. Speaker, that the farming population of this country is behind the government in their war effort. To use an expression which I have heard on some occasions, they are behind them to the last man and the last dollar—and, sir, they will soon have our last dollar. We realize that the wheat grower is actually the first casualty of this war. We farmers are willing to accept our share of the responsibility, its inconveniences, and an even lower standard of living, in order to fight this war to a successful conclusion.

Let me now return to my agricultural topic, that wheat question which is affecting western Canada more than anything else. The other day the hon. member for Lambton-Kent (Mr. MacKenzie), asked the Minister of Agriculture (Mr. Gardiner), whether the

fact that we had 561,000,000 bushels of wheat in western Canada was any reason why this year should be declared an emergency year. Strange as it may seem, it is an emergency, and an emergency of such proportions that it may destroy the whole economic life of western Canada, in which event the people of the east will feel it also.

Last year the emergency existed, and the government were slow in announcing a policy with regard to our wheat problem. One cannot blame them so much. The wheat was there; they knew they did not have the storage capacity to take care of it, and they knew we had a restricted market. We cannot, I say, blame them so very much. But I am afraid that some supporters of the government may say that everything is well in western Canada and that the policy which was announced worked out satisfactorily all round. It would be comforting if that were true, but it is not. I do not want to dwell at any great length on this matter, nor do I ask hon. members to take my word for it. I will read an extract from a letter, written in answer to one I wrote, by a man who, as they say, knew his onions—I mean the wheat problem. He stated:

> There are also many other things to consider under the present legislation now before the house, and the members have a big responsibility. We shall naturally be very much relieved when the amendments to the wheat board act are definitely brought down as there is nothing but confusion at the present time. However, I expect we shall be receiving definite word within the next few days.

This letter, I believe, was written about August 2, at a time when considerable threshing had been done in western Canada. Then it was announced that there was a five-bushel quota on, and the farmers had to scramble round and build granaries, or sweep out their driving sheds or horse stables to find some place to store their grain. All this, I think, could have been avoided had the government announced their policy a little sooner. But that is past. No doubt they did the very best they could under the circumstances. But, with that experience behind them, there is no excuse for the government not to announce in good time this year their policy with regard to the wheat problem. They know we have 561,000,000 bushels of wheat in store, and it may be assumed that there will be another 560,000,000 bushels from the next crop to be stored. I say they know that that is, in general, the situation, and I urge them to-night, with the knowledge they have, to give western Canadian people an announcement of their policy in time for them to make provision to take care of some of this wheat. I shall have something to say a little later with regard to the storage question.

At the present time wild rumours are floating round with regard to government action for this year. I have some newspaper clippings here. I am not going to read them, but I notice a summary of a report issued by the United States department of agriculture, whose figures show that they have a good knowledge of the situation in this country, and there is reference to different schemes which Canada might adopt with regard to the storage and the sale of our wheat. In the last issue of the Winnipeg *Free Press* which has reached us, I believe Tuesday's paper, it is said that the government are much exercised with regard to our wheat problem, and one or two solutions are mentioned. Well, one cannot control the newspapers, and after all, rumours do not amount to so much. But all this keeps the farmers in a continuous state of indecision; they do not know what is going to happen. I hope that the government, looking at the situation as I know they must do, will decide upon and announce a policy just as soon as they possibly can.

Perhaps I have been rather critical. It is not that I intend my remarks to be regarded in that way, but I am trying to declare to the house the situation as I see it. Living with the farmers as I do from year to year, knowing their problems and sharing their confidence, I know they feel pretty much the same as I do about this matter.

I am now going to offer some suggestions to the government. Whether they would be helpful I do not know, but I believe they would tend to strengthen our morale. I would suggest—and the government might make this announcement immediately—that they pay $1 a bushel. I do not hear any comments.

Some hon. MEMBERS: Hear, hear.

Mr. LEADER: Perhaps hon. gentlemen will not cheer so loudly when I get through. This $1 a bushel, I suggest, should be paid on the first 1,500 or 2,000 bushels from each farmer in western Canada. I suggest 1,500 or 2,000 bushels as the minimum, but perhaps some people would want to raise it. But if you want to cut down production you cannot encourage it by paying this price on too many bushels. I would pay this $1 a bushel to every farmer who had wheat to sell. There are many farmers in the west who sow only 5, 10, 15 and 25 acres of wheat a year, according to the records we have from the bureau of statistics. Of course these are men who produce other commodities besides wheat. But the man with 200, or 400 or 500 bushels would get from this $1 a bushel the means of sustenance for himself and his family during the year, and it would enable him to remain on the farm,

where we believe such men belong. But the bigger farmers should not be encouraged to produce more wheat.

I would not have any compulsory system, because in my opinion a compulsory system would entail compensation. If the farmers were warned that they would be able to deliver only 1,500 or 2,000 bushels to the wheat board, they could go ahead and grow more wheat if they so desired, but they would have to take their chances in the markets of the world. In my opinion this method would result in a great reduction in the wheat acreage next year.

All we need is the sympathy of the government, with a little advice, if you like. Most of all we want cooperation with the farmers themselves, because they know best. In this connection may I refer to certain policies that we have had. We have had some bonuses, and I must say that the bonus is something which is repugnant to the nature of the farmer, because he likes to stand on his own feet. Looking back, however, we find that some years ago there was the Bennett bonus, which was a payment of five cents a bushel for every bushel of wheat grown. That was certainly appreciated by the farmers, but the trouble was that the farmer who had the greatest number of bushels received the greatest amount of bonus, while the farmer who had been dried out or hailed out and did not have any wheat received nothing. At the present time we have the acreage bonus and it works out the same way, except that there is a restriction on the number of acres on which payment can be made, which is better. The limit is 200 acres to any one farmer. The payment of $1 a bushel to the little chap with only two or three hundred bushels would take care of him as well as the other fellow who had a big crop, but the mass producer would not be able to cash in on a large bonus as he did in previous years.

I submit that we must curtail acreage in the interests of the nation, because in western Canada there is developing a situation which will react on the country as a whole. We must curtail our acreage; for if we continue growing wheat, whether there is a war or no war, there will be a situation in which we shall find ourselves with millions of bushels for which we shall not have any outlet. I know from my own experience as a farmer that it does not matter so much the number of bushels you have, whereas it is a vital matter what you get per bushel.

I have here a table secured from the bureau of statistics, and with the permission of the house I should like to have it put on *Hansard*. I know there are many hon. members who would like to make some comparisons on the basis of these figures. The table gives the number of farmers reporting spring wheat acreages, and it takes in farmers with as small a quantity as five acres and those with 200 acres and over. These figures were taken from the last census. In 1935 there were 231,697 grain farmers in the three prairie provinces and less than 8 per cent of that total seeded at that date over 200 acres of wheat. The great majority of these farmers are small producers who are trying to make a living on the land, and the $1 that I suggest would take care of the situation so far as they are concerned. The 8 per cent who seeded over 200 acres and some perhaps thousands—one man in Alberta two or three years ago produced 80,000 bushels—would have to take their chances in the open market. Personally I should like to see all farmers get $1 a bushel, but the time when that was possible is past.

If we reduce our wheat acreage, something must be done to take its place; if farmers do not grow wheat, they must turn to some other form of agriculture. It has been said that we might go in for diversified farming. I believe the nation would become richer and the farmers more independent if we adopted more generally a system of diversified farming, growing less wheat and more agricultural products generally. And now I should like to put this table on *Hansard:*

Number of Farms Reporting Spring Wheat Acreages by Size Groups in the Prairie Provinces, 1935

Wheat acreage sown	Manitoba	Saskatchewan	Alberta	Prairie provinces
All farms reporting	38,593	117,427	75,677	231,697
Under 5 acres	2,537	1,135	1,710	5,382
5-9 acres	2,674	2,032	3,002	7,708
10-14 acres	2,464	3,056	3,966	9,486
15-19 acres	1,628	2,607	3,074	7,309
20-24 acres	2,128	3,935	4,225	10,288
25-49 acres	7,688	17,984	15,914	41,586
50-99 acres	10,149	31,318	19,154	60,621
100-199 acres	7,319	35,270	15,541	58,130
200 acres and over	2,006	20,090	9,091	31,187

As an alternative to wheat growing, I am of opinion that if it were properly cultivated we could extend the beef-cattle industry enormously in several countries to whose markets we now have access. I have here a brief extract from a newspaper article entitled "Big Meat Deal." It is stated here that Great Britain has made arrangements with the Argentine to take nearly $100,000,000 worth of beef this year. There is a reason for their buying this beef from the Argentine and I will refer to it later on. It seems to me that we should cultivate the British market. I will give this government as well as the previous one credit for trying to develop the market for fresh-killed beef in the old country. From the experience of the last two years we have demonstrated three things: First, that we could put fresh-killed beef on the British market to advantage; second, that we could supply as good beef as the people of Great Britain have ever eaten; and, third, that the manner in which this beef had been shipped was not the proper method of processing it.

On previous occasions I have taken the opportunity to express the view that this beef should be processed at seaboard in the maritimes. In my opinion this industry belongs to the maritime provinces. Therefore, Mr. Speaker, you will not accuse me of being sectional. I do not know why what I suggest is not done, but it will have to be done before we are successful in putting our fresh-killed meat on the British market in competition with our strong competitor, Argentina. If we can build up our beef industry, it is going to require more coarse grain to take the place of this wheat acreage which I advocate that we reduce. It is going to open a market in the maritimes for these coarse grains. When the maritimes have these abattoirs at the seaboard, and when they know the dividends that the feeding of beef cattle will give them, they are going to take advantage of the beef industry and fatten these cattle in the east and buy these coarse grains from the west. That I am sure is one solution of our wheat problem.

I have a little clipping here from a newspaper which I clipped two or three months ago. I shall not read it, but it says that it was a history-making cargo of grain that was shipped from Fort William by water all the way to Port Williams in Nova Scotia; 2,600 bags of coarse grain were shipped to that district. It was shipped by water because the railroad rate was too high. I suggest in all kindness but in all seriousness to the government that they might try to reduce the domestic rate on feed grain in this country, not only to the east but to the west. The hon. member for New Westminster (Mr. Reid) I know holds the same view, and year after year he has expounded in this house the necessity of lowering the domestic freight rate on grain going to the western coast. That would be one way of reducing our wheat acreage and would, I believe, have the effect of making our farmers throughout the dominion more prosperous.

I am now going to touch on that old question of tariff reform. I am going to deal with a reduction in the tariff on British goods which is so desirable, especially at this time. Tariff reduction is a good Liberal policy, and I have expounded it in this house—or tried to do so—on many occasions. I should like to quote a couple of lines from a recent editorial in the Winnipeg *Free Press,* which has also advocated this in the past and has at present taken up the struggle once more. The *Free Press* said:

> The *Free Press* for many months now has been advocating the complete abolition of the existing tariff against British goods.

I have always entertained that idea. Again referring, if I may, to a speech which I made in this house I think two years ago, I pointed out what I thought was the height of folly—and I believe it is tragic—to think that we still imposed a duty of from 20 to 30 per cent on British textiles. It appears to me that if we would reduce that tariff and admit these goods, Britain would buy more of our products and that would be another way of helping the situation with regard to our surplus of wheat. Well, the *Free Press* is coming out boldly for this doctrine, and it is refreshing that we have at least one paper in eastern Canada which has made a declaration to the same effect. I have a little clipping from an editorial in the Ottawa *Citizen* of a few days ago. It said:

> Parliament could well give early consideration to possible measures to allow an additional $105,741,000 worth of British goods into this country without having to hurdle so many barriers.

To find this view held by an eastern paper is encouraging. While it is a good many years since I first learned the doctrine of lower tariffs, and while I have been disillusioned on many occasions, it may be that if the Liberal government stays in power long enough, we shall have a substantial reduction in the tariff as it affects British-made goods.

Mr. COLDWELL: How long would "long enough" be?

Mr. LEADER: Well, I direct that observation especially to the Liberal party because I know the Conservative party do not hold that view.

An hon. MEMBER: The Liberals do not either.

Mr. BLACKMORE: It is getting higher all the time.

Mr. LEADER: I wish now to refer to another matter along the same lines, with which the Acting Speaker (Mr. Macdonald, Brantford City) is more or less familiar, with the emphasis on the "mower". I think the government, in order to help the farmers out of the extremity in which they find themselves at the present time, might make the implements of production a little cheaper by reducing the tariff on farm machinery. It is a sad reflection on Liberal principles and the party which I support that I must say that never was the tariff higher than it is at the present time. I heard that accusation made in the house the other night by the leader of the opposition (Mr. Hanson).

Mr. COLDWELL: It is true.

Mr. LEADER: It is true on account of inescapable circumstances, on account of the high rate of exchange on our money and this new ten per cent exchange tax, which, after all, is a tariff. So I recommend to the government that they at least take off this ten per cent exchange tax which was imposed last year.

I have here a little pamphlet, and on it there is a graphic picture. I am not going to speak of this at any length, but I received this pamphlet at a meeting held at Regina this summer. The meeting was called by Canadian Cooperative Implements Limited, a company of farmers who got tired of waiting for government action, and so decided to see what they themselves could do in regard to reducing prices of farm machinery. I went to that convention because I thought it might help me in my work here as well as at home. No one knew my identity, I just dropped in and kept my ears open, and there I found this pamphlet. It shows that the cost of a binder in 1913 was $167, and the number of bushels of wheat which it took to purchase that binder at that time was 261. Then it tells us that the same binder, or a similar one—they tell us it is improved, and it certainly is, but I do not think the cost of production is any higher—in 1940, is $340 and we have to trade 637 bushels of wheat for the binder, or about two and a half times as much as the binder cost in 1913 in terms of wheat. That convention was interesting, and if time permitted I would like to tell the house about it.

Mr. McGREGOR: What was the price of that binder in 1930?

Mr. LEADER: I have not the figures; it would be a guess—

Mr. McGREGOR: It was a little higher, was it not?

Mr. LEADER: It might be, yes. I was very much impressed with the speech made by a man representing the government of Alberta, the province from which some of my hon. friends opposite me come. It seems that the government of Alberta have taken the bit in their teeth and are doing something for themselves, because this is a government measure, and while they asked for the cooperation of Saskatchewan and Manitoba, and were promised it, it was so long in coming that they went on by themselves.

They thought they could save by cooperative buying on the cost of repairs to binders and other farm machinery, so they came to eastern Canada and asked the Canadian implement companies if they would make contracts with the cooperative for the distribution and sale of repairs to farm implements. The Canadian companies refused to make any such arrangement. Then the cooperative went to the United States—can one blame them?—and made arrangements with United States companies. Distributing houses were set up at seven different points in Alberta. I should have liked to know how much they saved the farmers, but when the question was asked the reply was, "We have saved the farmers a good many dollars in the cost of repairs to their implements." As a matter of fact the scheme has been so successful that instead of seven distributing centres in Alberta they intend next year to have thirty.

I have tried to point out that if you lowered the cost of farm implements you would help the farmer reduce his costs of production. I want now to say something about the charges we have to pay for the handling of our grain. Storage charges were reduced last year from one cent to three-quarters of a cent a bushel a month. I did not think that reduction was sufficient under existing circumstances, and I know many hon. members on both sides felt the same way. We believed the reduction should have been to at least one-half cent. I am still of that opinion, and I believe if the government were wise they would reduce the storage rate to one-half cent this year, thereby saving the farmer another one-quarter cent a bushel.

But I have another criticism to offer with regard to the payment of storage. As I understand it, as soon as you dump a load of

grain into an elevator the storage charges begin. So I think if we wish to be fair to these farmers who have put up their own granaries at home, their storage also should start immediately. Let me give a personal example; I am engaged in the business, so I know I will be excused for these personal references.

We were allowed this year a quota of five bushels to the acre, so we got it out first and put it in the elevator. Then we went on threshing and filled our granaries. The grain was taken to the elevator about the middle of August, and of course the storage charges began at once. It was a pool elevator, but that does not matter; it was an elevator, and the storage began the day the wheat was delivered. But on the wheat I put in my own granary the storage did not start until six weeks later. If you are going to pay the farmers storage at the same rate you pay the elevator companies you should begin to pay that storage when the grain is delivered to the granaries, just as you do when it is delivered to the elevators. I think that would be only fair. Some people have told me the trouble is that further west they are later with their threshing, and there has to be one general date. I do not think that is so at all; certainly it is not the case with the elevators. If we in Manitoba are threshing two or three weeks ahead of the farmers of Alberta, why should we have to wait for our storage to begin because Alberta happens to be a little later than we are? No; we must pay the farmers on the same basis that we pay the elevator companies. That is the only fair thing to do.

The suggestions I have offered to the government to-night more or less have to do with a long-range programme; they need not be scrapped when the war is over. I feel satisfied that once the farmers get into the way of diversified farming, as many of them are doing even now—and especially the bigger farmers further west—they will continue with it long after the war is over .

I should now like to refer to a matter that has been mentioned by many other hon. members on all sides of this house. I am in favour of the government issuing passes to our soldiers who want to go home at Christmas time. Some of the boys from Portage la Prairie are down here in Ottawa, and I have been told that they will not be able to eat their Christmas dinners with their loved ones unless they are given passes on the railways. What is true of my district no doubt is true of every district in this country, and I think that request is only reasonable. I do not consider it a privilege; I think it is a right that belongs to these soldier boys of ours.

I have five minutes left, Mr. Speaker, and in that time I should like to refer to an article which appeared in the Winnipeg *Free Press* of last Tuesday. This article attacks Mr. H. H. Hannam, president of the Canadian Federation of Agriculture. The *Free Press* admits that this gentleman occupies a high position, but they ascribe a sinister motive to his comments with regard to the reduction in the price of Canadian bacon. I think I should read this article, which is very short, in order to be fair to the *Free Press*. It is as follows:

> Mr. H. H. Hannam, president of the Canadian Federation of Agriculture, is indignant and declares that the Canadian farmers will also be indignant over the reduced price for bacon fixed in the new bacon agreement.
>
> Indignant against whom? Not against Great Britain, Mr. Hannam hastens to explain. Then the indignation must be directed against the Canadian government. On what grounds? Obviously on the ground that the Canadian government did not say to the government of Great Britain: Pay the price that our distinguished and patriotic Canadian, Mr. Hannam, president of the Canadian Federation of Agriculture, demands, or go without bacon.

The ACTING SPEAKER (Mr. Macdonald, Brantford): Order. I must inform the hon. member that his time has expired.

Mr. LEADER: I should like to finish this article.

Some hon. MEMBERS: Go ahead.

Mr. LEADER: The article continues:

> No doubt Mr. Hannam will resent having the matter put thus crudely; but is it not pretty much to this that it boils down? A man big enough to hold his position ought to be able to look at this transaction in its entirety, instead of from a narrow angle. Thus examined, it might be found to have a great many good points.

And listen to this:

> But Mr. Hannam is in the business, in which he is not alone, of trying to stir up grievances in the hope of being able to capitalize on them later on. It is a discreditable business. Also dangerous.

The only comment I have to make is that the author of this article is discredited and that its publication is dangerous. That is what I want to say to the house most definitely. I am glad to have the privilege of putting this article on *Hansard*, where people can read it for themselves. I cannot understand what motive would prompt the *Free Press*, one of our great newspapers, to print such an editorial, but there it is; and I believe, as the *Free Press* says, that the situation may be dangerous.

I wish to thank hon. members for permitting me to continue beyond my allotted time.

Mr. COLDWELL: If I may ask a question, was it understood that the table to which the hon. member referred was being placed upon *Hansard* with the consent of the house?

Mr. LEADER: There was no objection.

Mr. DEPUTY SPEAKER: I understand the hon. gentleman had leave to place the table on *Hansard*.

Some hon. MEMBERS: Agreed.

Mr. WILFRID LaCROIX (Quebec-Montmorency): Mr. Speaker, I deem it my duty to say a few words about the war effort, and the recent speech of the Minister of National Defence (Mr. Ralston). May I first on behalf of my electors thank the government for having helped the eel fishermen of the isle of Orleans, situated in my constituency, to dispose completely of their catch which had accumulated in cold storage for several years. These fishermen were in a pitiful condition, the Italian and German markets which had absorbed the major part of their production having been completely closed to them since the outbreak of the war. Without the government's intervention they would have entirely lost the fruit of their labour for the past two years. I tender my sincere thanks to the government.

May I also thank the Minister of Agriculture (Mr. Gardiner) for having recommended to the Minister of National Defence the removal of an injustice which, to my mind, served only to protect and enrich the meat monopolies of this country, reviving painful recollections of the last war when great fortunes were built up thanks to a monopoly organized to the detriment of the citizens of Canada in general.

In this connection, I shall quote a letter which I wrote to the Minister of Agriculture:

Quebec, October 2, 1940

Honourable James Gardiner,
Minister of Agriculture,
Ottawa.

Dear Sir:

The war purchasing board ruled a few months ago that only slaughtering establishments operating under the inspection of your department would be asked to tender for meat supplies required by the Department of National Defence.

This ruling is unjust and vexatious for producers and small dealers who can make use of abattoirs subject to federal inspection to slaughter the cattle they wish to sell to the army, in full compliance with your inspection regulations, and to submit tenders on the same footing as others.

Everyone is participating in the war effort and should therefore receive the same treatment. The fact of eliminating the producer and small dealer creates a monopoly in favour of 40 or 45 large companies owning abattoirs.

Why not make it possible for small dealers and producers who wish to have their cattle slaughtered in these recognized abattoirs, where they would undergo the required inspection, to sell their meat directly to the Department of National Defence.

I strongly protest against this ruling and, appealing to your spirit of justice, Mr. Minister, I ask you to take the necessary measures to change this situation which is creating among the public a state of mind unfavourable to the government.

I am under the impression that the war purchasing board made this ruling without knowing that the producers and small dealers, though having no slaughter houses of their own, are able to have their cattle slaughtered in a public abattoir where there is permanent inspection and thus supply a product equal in quality to that of the abattoir-owning companies.

Should this policy not be changed, I shall regretfully be compelled, because of the protests made to me, to submit the whole question to the attention of the House of Commons at the next session.

Awaiting your reply, I beg you to accept, Mr. Minister, the expression of my best sentiments and to believe me,

Yours very truly,

Wilfrid LaCroix,
M.P. for Quebec-Montmorency.

On November 6, I had the pleasure of receiving the following letter which will undoubtedly please all those who are in a position to supply meat bearing the stamp of dominion inspection:

Ottawa, November 6, 1940

Mr. Wilfrid LaCroix, M.P.,
House of Commons,
Ottawa.

Dear Mr. LaCroix:

Your additional letter respecting the basis on which the Department of National Defence calls for tenders for the meat required for the troops stationed in Canada clarifies this question which so greatly interests you.

I am fully in agreement with you regarding the desirability of widening the field from which tenders may be accepted, in order to include all individuals or companies in a position to supply meat bearing the dominion inspection stamp, whether or not they are owners of the establishment in which the slaughtering has been done. This would make it possible to supply meat slaughtered on order in an inspected establishment, as you suggest.

I am making a formal recommendation on that point to the Minister of National Defence. In the light of unofficial conversations which have occurred this week between officials of both departments, I am confident that the question will shortly be settled to your satisfaction.

Yours very truly,

H. Barton,
Deputy Minister.

A first step has thus been taken by the Minister of Agriculture. Let us hope that the Minister of National Defence will hasten to agree to the formal recommendation of

the Department of Agriculture, for it is the latter which is responsible for the inspection of the meat supplied to the army.

Everyone is sharing in the war; everyone should share in the patronage resulting therefrom.

I listened attentively to the speech delivered last week by the Minister of National Defence. I wish to underline the following words which he uttered regarding the possible lengthening of the training period to four months:

> We propose, before final authorization of this extension of the training period is given, to examine the situation on the ground when I am in England in consultation with the governmental authorities and staff who are concerned with this phase of the war effort.

In this connection I should like to quote from an editorial published on November 16 in the organ of the Liberal party in Quebec, *Le Soleil,* under the caption "Military Service in Canada."

> It has been suggested that the British system of military training would probably give the same results in Canada as in Great Britain. It must be remembered that conditions are entirely different in England. Over there, industry has not yet employed all the workers available and the government has not been able to give military training with full equipment to all its conscripted soldiers. Here in Canada it is expected that unemployment will soon be restricted to the winter season, and, quite naturally, it has been thought of taking advantage of this climatic condition to call up farmers' sons for training during the period usually called the "slack season." But this season is extremely rigorous in the Laurentian country, at Valcartier for example, where stormy weather will mean considerable loss of time to the recruits who will be there next month and afterwards. This drawback could easily be overcome by the construction of barracks and drill-halls in the main centres of each district of Quebec. The soldiers would be made more comfortable and their training more effective.
>
> Would it not be wise to adopt for Canada a system of military service particularly adapted to the exceptional conditions of Canadian life?

Last session I voted against the National Resources Mobilization Act because section 64 remains in the Militia Act. Nevertheless it was passed by parliament. Respectful of the laws of the country I submitted to it like all my compatriots who, even if a law is not to their liking, know that the first duty of a citizen is to submit to the laws passed by the civil authorities.

We have, however, been so often told and retold that the mobilization act concerned only Canada and was intended solely for the defence of Canada that it seems to me that at least we should follow the advice given in the article which I have just quoted from *Le Soleil,* the organ of our party at Quebec.

Furthermore, in this speech the Minister of National Defence recognizes for the first time that our first line of defence is in Europe. I must admit that it is with apprehension for the interests of Canada that I look forward to the results of the trip to Europe which the minister intends to make next month.

As to the extension of training from one month to four months, I cannot do better than quote from an article published in *L'Action Catholique* on November 15, 1940, under the heading "Harmful and Ill-advised Zeal." This is what it says:

> Mr. Hanson's suggestions are somewhat reckless. To compel our recruits to do four months of training would be disastrous for industry and trade, as it would necessitate a periodic replacement of experienced workers by newcomers without experience. As to placing our young men in the army reserve after they have undergone their training, that is simply a trick the purpose of which is to have them at hand in case of conscription.

This view expressed by *L'Action Catholique,* and which I share, accurately reflects, I believe, public opinion on the matter. As to the harmful and ill-advised zeal of the leader of the opposition (Mr. Hanson), I must say I am not surprised at it, for he has dared to utter in this house the following words:

> For us, aid in the defence of Britain should be our first objective; the defence of our beloved country will follow.

The words "will follow" are words which no Canadian who loved his country would dare to utter; yet they faithfully depict the man who at present leads the opposition. No one has worked harder than he since the outbreak of the war to disrupt national unity. If the present session is to have no other result than to allow our conscriptionists and imperialists to continue their work of disintegration, parliament cannot prorogue too soon. If the French-Canadians have accepted a policy of compromise, be assured that they will never depart from it. Why blame us when the United States are doing still much less than this country, since they have not declared war and are not sending a single soldier to Europe?

Our economic and military participation is already on a grand scale and even beyond the limits of our capacity. In my opinion the effect of this will be to make it impossible for us to solve the problems which the after-war period will bring. We desire the triumph of England which is fighting with admirable courage for the preservation of her empire and of the social and political ideals represented by her institutions; but, for heaven's sake, let us not forget that we are part of America and that we should have at least some thought for Canada which, whatever may be said, is still our country.

I take this occasion to congratulate the Prime Minister (Mr. Mackenzie King) upon the military agreement which he has succeeded in concluding between Canada and the United States. Such an agreement should have been made long ago. Thanks to the long-standing friendship between our Prime Minister and the President of the United States, we have made an important step in our political history through this definite statement that our geographical interests are bound up with those of the United States. I conclude by voicing my ardent desire that these common interests will guide us in the examination of the demands which England may make upon us. Let us not, following the example of an elderly senator seemingly little interested in the rising generation, state in advance our intention to yield to all her demands.

On motion of Mr. MacKinnon (Edmonton West) the debate was adjourned.

On motion of Mr. Crerar the house adjourned at 10.55 p.m.

Friday, November 22, 1940.

The house met at three o'clock.

STANDING COMMITTEES

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health) presented the report of the special committee appointed to prepare and report lists of members to compose the standing committees of the house, as follows:

PRIVILEGES AND ELECTIONS

Messieurs

Abbott
Anderson
Bertrand (Laurier)
Diefenbaker
Douglas (Weyburn)
Factor
Fair
Fleming
Gershaw
Gibson
Gladstone
Gray
Gregory
Kirk
Lalonde
Leger
Mackenzie (Vancouver Centre)
MacNicol
McCuaig
McDonald (Pontiac)
Mills
Mutch
O'Brien
Pinard
Pouliot
Power
Roy
Tremblay
Weir—29.

(Quorum 10)

MISCELLANEOUS PRIVATE BILLS

Messieurs

Bonnier
Boucher
Casselman (Edmonton East)
Castleden
Chambers
Cleaver
Cloutier
Cote
d'Anjou
Donnelly
Douglas (Queens)
Dubois
Durocher
Evans
Factor
Fournier (Hull)
Gibson
Gillis
Gingues
Gladstone
Graham

Hansell
Harris (Grey-Bruce)
Hazen
Healy
Hlynka
Hoblitzell
Howden
Jutras
Lacombe
LaCroix (Quebec-Montmorency)
Lapointe (Lotbinière)
Lockhart
Macdonald (Halifax)
Macdonald (Brantford City)
MacKenzie (Lambton-Kent)
McGregor
McIlraith
Matthews
Mayhew
Parent
Poirier
Ross (St. Paul's)
Roy
Senn
Stokes
Telford
Tomlinson
Veniot
Wood—50.

(Quorum 15)

RAILWAYS, CANALS AND TELEGRAPH LINES

Messieurs

Bence
Bertrand (Laurier)
Bertrand (Terrebonne)
Black (Cumberland)
Bourget
Breithaupt
Chevrier
Corman
Cote
Crerar
Damude
Douglas (Queens)
Dupuis
Emmerson
Eudes
Factor
Farquhar
Fournier (Maisonneuve-Rosemont)
Fulford
Gingues
Gregory
Hanson (Skeena)
Harris (Danforth)
Hatfield
Healy
Howden
Howe
Isnor
Jackman
Jaques
Jean
LaCroix (Quebec-Montmorency)
Little
Lizotte
Lockhart
MacInnis
MacKinnon (Kootenay East)
McCulloch
McIvor
McKinnon (Kenora-Rainy River)
McNiven
Maybank
Mills
Mullins
Nicholson
Nielsen (Mrs.)
Nixon
O'Brien
O'Neill
Picard
Pouliot
Roebuck
Ross (Moose Jaw)
Ross (Calgary East)
Ross (Souris)
Shaw
Sissons
Turner
White
Whitman—60.

(Quorum 20)

MARINE AND FISHERIES

Messieurs

Bradette
Brooks
Brunelle
Crète
Dechene
Deslauriers
Farquhar
Ferron
Gauthier
Gillis
Green
Hanson (Skeena)
Hazen
Kinley
Kuhl
Lapointe (Matapedia-Matane)
Leduc
Macdonald (Kingston City)
MacInnis
MacKenzie (Neepawa)
Macmillan
McLean (Simcoe East)
Neill
Pottier
Reid
Roy
Ryan
Stirling
Telford
Tomlinson
Tripp
Tustin
Veniot
Ward
Warren—35.

(Quorum 10)

BANKING AND COMMERCE

Messieurs

Black (Cumberland)
Blackmore
Bercovitch
Blair
Breithaupt
Casselman (Edmonton East)
Claxton
Cleaver
Coldwell
Donnelly
Dubuc
Eudes
Fontaine
Fournier (Hull)
Fraser (Northumberland)
Fraser (Peterborough West)
Graham
Gray
Hanson (York-Sunbury)
Harris (Danforth)
Hazen
Hill
Jackman
Jaques
Jean
Kinley
Lacroix (Beauce)
Laflamme
Lapointe (Lotbinière)
Macdonald (Halifax)
Macdonald (Brantford City)
Macmillan
McCann
McGeer
McIlraith
McNevin
Marier
Martin
Maybank
Mayhew
Moore
Perley
Picard
Raymond
Ross (St. Paul's)
Slaght
Thorson
Tucker
Ward
Woodsworth—50.

(Quorum 15)

PUBLIC ACCOUNTS

Messieurs

Abbott
Anderson
Authier
Bercovitch
Black (Yukon)
Blanchette
Boucher
Bourget
Brooks
Casselman (Edmonton East)
Church
Clark
Cote
Cruickshank
Desmond
Ferland
Fleming
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fraser (Northumberland)
Fulford
Gladstone
Golding
Grant
Graydon
Henderson
Homuth
Isnor
Johnson (Bow River)
Leader
MacInnis
McCubbin
McDonald (Pontiac)
McGeer
McIvor
Marshall
Mullins
Mulock
Purdy
Rickard
Roebuck
Ross (Hamilton East)
Slaght
Thorson
Tremblay
Tripp
Veniot
Winkler
Wright—50.

(Quorum 15)

STANDING ORDERS

Messieurs

Bertrand (Prescott)
Brunelle
Cockeram
Denis
Douglas (Weyburn)
Edwards
Golding
Graydon
Jaques
MacLean (Cape Breton North-Victoria)
Marier
Marshall
McGibbon
McLarty
McLean (Simcoe East)
O'Neill
Rennie
Ross (Moose Jaw)
Stokes
Sylvestre—20.

(Quorum 8)

PRINTING

(Members to act on the part of the Commons)

Messieurs

Bercovitch
Bertrand (Terrebonne)
Blanchette
Bourget
Casselman (Grenville-Dundas)
Castleden
Chambers
Chevrier
Claxton
Cloutier
Corman
Damude
Denis
Dubois
Durocher
Edwards
Emmerson
Esling
Evans
Ferland
Fleming
Fraser (Peterborough West)
Furniss
Goulet
Grant
Green
Hallé
Healy
Hlynka
Hurtubise
Kuhl
Leader
MacDiarmid
MacKinnon (Kootenay East)
MacLean (Cape Breton North-Victoria)
McGregor
McNevin
Mills
Moore
Mulock
Nicholson
Purdy
Rhéaume
Ross (St. Paul's)
Sinclair
Sissons
Soper
Tucker
Tustin
Weir
White
Whitman
Winkler
Wood—54.

MINES, FORESTS AND WATERS

Messieurs

Adamson
Authier
Bence
Black (Yukon)
Bradette
Cockeram
Crerar
d'Anjou
Edwards
Esling
Evans
Furniss
Grant
Hansell
Hill
Hurtubise
Johnston (Bow River)
Lacroix (Beauce)
Lafontaine
Leduc
Little
MacNicol
McCann
McCulloch
McDonald (Pontiac)
McKinnon (Kenora-Rainy River)
Nielsen (Mrs.)
Parent
Sanderson
Sinclair
Sylvestre
Tremblay
Tripp
Turner
Warren—35.

(Quorum 10)

INDUSTRIAL AND INTERNATIONAL RELATIONS

Messieurs

Abbott
Blackmore
Bruce
Church
Cote
Deslauriers
Dubuc
Eudes
Fournier (Maisonneuve-Rosemont)
Goulet
Hanson (Skeena)
Hoblitzell
Homuth
Jean
Laflamme
Leger
MacInnis
MacKenzie (Neepawa)
Macmillan
MacNicol
McCann
McGarry
McNiven
Massey
Mutch
Neill
Nixon
Pottier
Roebuck
Ross (Calgary East)
Ross (Hamilton East)
Sanderson
Slaght
Stirling
Turgeon—35.

(Quorum 10)

DEBATES

Messieurs

Blanchette	Ross (Middlesex East)
Claxton	Ross (Moose Jaw)
Esling	Rowe
Hlynka	Shaw
Pinard	Sinclair
Pouliot	Ward—12.

(Quorum 7)

AGRICULTURE AND COLONIZATION

Messieurs

Authier	Lapointe (Lotbiniere)
Aylesworth	Leader
Bertrand (Prescott)	Leclerc
Black (Chateauguay-Huntingdon)	Leger
Blair	Lizotte
Cardiff	MacDiarmid
Clark	MacKenzie (Lambton-Kent)
Cloutier	McCuaig
Cruickshank	McCubbin
Davidson	McGarry
Dechene	McNevin
Desmond	Matthews
Diefenbaker	Mullins
Donnelly	Nielsen (Mrs.)
Douglas (Weyburn)	Perley
Douglas (Queens)	Poirier
Fair	Quelch
Ferron	Rennie
Fontaine	Rhéaume
Furniss	Rickard
Gardiner	Ross (Souris)
Gershaw	Ross (Middlesex East)
Golding	Rowe
Hallé	Senn
Hatfield	Soper
Henderson	Sylvestre
Jutras	Turgeon
Kirk	Tustin
Lafontaine	Weir
Lalonde	Wright—60.

(Quorum 20)

LIBRARY

(Members to act on the part of the Commons)

Mr. Speaker and Messieurs

Adamson	Lizotte
Aylesworth	Macdonald (Halifax)
Black (Chateauguay-Huntingdon)	MacKenzie (Neepawa)
Bruce	MacKenzie (Lambton-Kent)
Cardiff	Macmillan
Casselman (Grenville-Dundas)	Marier
Castleden	Martin
Emmerson	Mayhew
Eudes	Moore
Farquhar	Poirier
Fontaine	Pouliot
Fournier (Maisonneuve-Rosemont)	Purdy
Gershaw	Raymond
Goulet	Reid
Graham	Rickard
Green	Ross (St. Paul's)
Henderson	Shaw
Howden	Telford
Hurtubise	Thauvette
Jaques	Warren
Jean	Winkler
	Wood
	Woodsworth—44.

[Mr. Speaker.]

Mr. MACKENZIE (Vancouver Centre) moved that the report be concurred in.

Motion agreed to.

POWERS OF COMMITTEES

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

That the standing committees of this house shall severally be empowered to examine and inquire into all such matters and things as may be referred to them by the house and to report from time to time their observations and opinions thereon, with power to send for persons, papers and records.

Motion agreed to.

MILITIA ACT

AMENDMENT OF PROVISIONS RESPECTING EXEMPTION FROM LIABILITY TO SERVICE

Mr. T. L. CHURCH (Broadview) moved for leave to introduce Bill No. 3, to amend the Militia Act.

Some hon. MEMBERS: Explain.

Mr. CHURCH: The explanatory note sets out the reasons for the proposed amendment. It deals with conscientious objectors and others who under the act as it stands at present are exempt from military service.

I may add that in connection with the proposed amendments there will have to be another bill to amend the National Resources Mobilization Act with respect to exemptions covered by that act. That bill I propose to introduce on Tuesday next.

Motion agreed to and bill read the first time.

RADIO BROADCASTING

TRANSRADIO PRESS SERVICE—FINDING OF DIES COMMITTEE OF UNITED STATES CONGRESS

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): In view of the white paper issued by the Dies committee of the United States congress, which purports to establish that the Transocean news service is a combined German propaganda and espionage service, and that the Transradio press service is its transmitting and receiving agency, will the Minister of Munitions and Supply (Mr. Howe), who has under his wing Canadian broadcasting, take the necessary steps to deal with the use of broadcasting facilities in Canada by the Transradio press service?

Hon. C. D. HOWE (Minister of Munitions and Supply): My hon. friend was kind enough to give me notice of this question. The governors of the broadcasting corporation are meeting in Ottawa next week, and will no doubt give consideration to the situation as developed by the Dies committee report.

I called the attention of the house as long ago as last June to the fact that we were not sure of the sources of certain information that was being broadcast. I think I went as far at that time as the situation warranted. Steps were taken to ban Transradio from the air. A storm of protest was aroused, and I think my hon. friend was one of those who protested in this house against the action we were taking.

Mr. HANSON (York-Sunbury): I do not recall it.

Mr. HOWE: There was a storm of protest in the press; it was suggested that we were trying to muzzle news. The result was that it was felt that a comprehensive rearrangement of news over the air should be worked out. The broadcasting corporation has been working on that problem since then and has laid definite plans for a new type of news service beginning January 1 next.

In the meantime I may say that our censors have carefully watched the news put out by the forty or fifty broadcasting stations in Canada that have handled Transradio news, and they have found nothing whatever to complain about in the type of news put out.

I think the broadcasting stations that handle Transradio news will each have a problem of their own in the matter of deciding whether they wish to continue that news. I think they will have to decide a problem in public relations. Every one of those stations violently protested when the government suggested it was unwise for them to carry that type of news, and I think perhaps we can leave them to work out their problem in their own way, until the broadcasting corporation decide what steps are to be taken in the matter.

BUSINESS OF THE HOUSE

QUESTION AS TO DISCUSSION OF ROWELL-SIROIS REPORT FOLLOWING DEBATE ON ADDRESS

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): May I ask the Prime Minister if we shall take up the Sirois report after the vote is taken on the address?

Right Hon. W. L. MACKENZIE KING (Prime Minister): We shall have to wait until the debate on the address is concluded before it will be possible to say what will then be taken up.

INTEREST RATES AND RENTS

APARTMENT HOUSES IN TORONTO AND DISTRICT—SUGGESTED ACTION ON HIGH INTEREST CHARGES

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I wish to ask the Minister of Labour (Mr. McLarty) a question. During the discussion of his estimates on August 6 last I asked him if he would look into the question of rent control and high rates of interest. He said he would be glad to do so. Since that time he has given some measure of rent control. But I would call his attention to the high rents being charged by some apartment house owners in Toronto and district.

The second part of my question is this: Can something not be done about the exorbitant rates of interest charged by loan companies, loan sharks and others, dealt with last year by parliament? Will the minister look into this point and see whether the War Measures Act could not be broadened out as I suggested last August, to include not only the national moratorium referred to in that debate but some order in council dealing with high interest rates?

Hon. N. A. McLARTY (Minister of Labour): The question of the hon. member is somewhat of a double-barrelled one. In the first place, as he says, steps have been taken to have some regulation of rentals in areas where the war situation has created congestion bringing about an abnormal rise in rents. That of course comes under the regulations of the war-time prices and trade board, and a rentals administrator has been appointed. I shall be glad to call his attention to the matter of high rentals being charged in certain apartment houses in Toronto.

As to the second part of the hon. member's question, relating to interest rates being charged on mortgages, as I understood him to say, and possibly on other contracts, that is hardly a matter that comes within the purview of the Labour department. I suggest that the hon. member consider directing this part of the question to the Minister of Finance or to the minister whose department would be more directly concerned.

Mr. CHURCH: The War Measures Act, I understand, takes precedence over existing legislation. There is no more difficulty about dealing with interest than with rents. It is the same point.

NATIONAL DEFENCE

QUESTION OF DISCLOSING UNIT PRICES OF MATERIALS SUPPLIED TO MILITARY DISTRICTS—GARBAGE CANS

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): In a return brought down on Wednesday last, sessional paper No. 121, moved for by the hon. member for Victoria-Carleton (Mr. Hatfield) with respect to the purchase of 26,000 garbage cans for use in military camps, the Department of National Defence refuses to answer the inquiry with respect to the price paid, taking the attitude that it is not in the public interest to give unit prices on any commodity.

Mr. HOMUTH: Nonsense.

Mr. HANSON (York-Sunbury): I desire to call attention to this portion of the return and to ask if this is to be the considered policy of the government. Surely this house has the right to know the cost to the country of even such a prosaic item as garbage cans.

Furthermore, I desire to make this statement, that a portion of the return is incorrect, to my own knowledge and to the knowledge of the hon. member for Victoria-Carleton.

Mr. POULIOT: Your knowledge might be incorrect.

Mr. HANSON (York-Sunbury): It states that all these garbage cans were put into immediate use. To my own knowledge and to the knowledge of the hon. member for Victoria-Carleton those which were assigned to military district No. 7—929—were not put into immediate use but were stored in a warehouse in the city of Saint John under storage expense. They were delivered there in March last at a time when there were no military camps in existence in New Brunswick and when, so far as I know, none were even announced.

I call the attention of the government to this because some official has made a statement which is—I shall not say untruthful, but incorrect. The minister is away and he certainly is not responsible. But I do desire to know if we are to be given in returns or in answers to questions information with respect to commodities used for military purposes and with respect to storage. If there is no one here who can answer now I should like to have the question stand as a notice so that the matter can be looked into. It is a very small thing, but there is a matter of principle at stake.

Hon. C. G. POWER (Associate Minister of National Defence): I am inclined to agree with my hon. friend both as to the importance of the matter involved and as to the principle.

[Mr. Church.]

I shall be very glad to ask the appropriate officers of the department to inquire thoroughly into all matters relating to the garbage cans.

NAVAL SERVICES

REPORTED DECISION TO ESTABLISH PROPOSED NEW NAVAL COLLEGE NEAR VICTORIA, B.C.

On the orders of the day:

Mr. P. C. BLACK (Cumberland): I desire to direct a question to the Minister of National Defence for Naval Services (Mr. Macdonald). In a Canadian Press dispatch from Halifax, appearing in newspapers over Canada under date of the twenty-first instant, it is stated that the city council of Halifax has asked the federal government to establish Canada's proposed new naval college at Halifax. In the dispatch it is stated that Mr. R. W. Mayhew, Liberal member of the House of Commons for Victoria—for whom I have every respect—had stated in Ottawa on the same day that he was authorized—"authorized," Mr. Speaker,—to state that the academy would be located near Victoria.

Will the minister state whether the hon. member for Victoria was authorized to make that statement; is it correct; if so, what reason does the minister give for not relocating the naval college at Halifax; and, why should not the minister himself, and not a private member, make such a statement?

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Apparently there has been some confusion in the mind of the newspaper man who gave to his paper a dispatch purporting to come from the hon. member for Victoria, B.C. (Mr. Mayhew). There are really two things involved here: first, the question of the site of the naval college; second, the additional training for short periods, three or four months, which is necessary now under the stress of war to prepare officers for their commands.

In connection with the short training period it is true that we are seeking some additional quarters on the west coast; and on the east coast we have erected some buildings for the purpose which I have already mentioned, namely giving officers a short term course.

Mr. BLACK (Cumberland): There will be only one naval college?

Mr. McGEER: Why should there not be two?

Mr. MACDONALD (Kingston City): It is true that we acquired a site in western Canada for use in the same way as we have provided accommodation at Halifax, and for the same purpose—a short period of training for officers. That, I think, is what my hon. friend the member for Victoria, B.C., had in

mind when he spoke to the press men. They have construed that to mean that a site for a naval college has been selected. That is not the case; a site has not yet been selected for the college.

Mr. T. L. CHURCH (Broadview): May I ask the minister, first, if in the future he would give to the house, before it is disclosed to the newspapers, over the head and against the regular practice of this parliament, statements as to matters of this kind involving expenditures running into hundreds of millions? Second, has the British Admiralty been consulted about this? Third, why is it that the proposed college is to be located far away from the principal naval recruiting districts?

Mr. MACDONALD (Kingston City): I regret to say that I did not hear my hon. friend's question. If he will set it forth in writing I shall be glad to consider it and answer it the next day. I found it difficult to hear him at this distance.

Mr. R. W. MAYHEW (Victoria, B.C.): I am rather sorry that in this far corner I was unable to hear distinctly what the Minister of National Defence for Naval Services said. I think that as a matter of privilege I should be entitled to repeat what actually happened.

While negotiations were going on for the property in question, I was familiar with certain circumstances and received permission, not from the minister but from other departments, to tell the people at home that that property had been bought for the purposes of the navy. The Canadian Press asked me yesterday to make a further statement, and I requested their representative to go to the Minister of National Defence for Naval Services for the information. I assure the house that the minister did not authorize me to make any statement beyond the statement which was made in Victoria—that that property had been acquired, at about five per cent of its actual value, for naval affairs.

Mr. HAZEN: Is it the intention of the government to select in the near future the site of this new naval college?

Mr. MACDONALD (Kingston City): I am not able to answer my hon. friend as to how soon this site will be selected. It will depend on various factors. As was stated the other day, the government has decided to proceed with the erection and maintenance of a naval college. When the site is made available and the other preliminaries are settled, a further announcement will be made.

Mr. CHURCH: I suppose the minister will announce the appointment of Lieutenant Farrow as commandant of the college.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Thursday, November 21, consideration of the motion of Mr. Brooke Claxton for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Hanson (York-Sunbury), and the amendment to the amendment of Mr. Blackmore.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Mr. Speaker, I propose to follow the lead of my colleagues and confine my remarks to the activities of my department which more intimately touch our war activities. Ordinarily there would be the war work of the national research council. My difficulty here is that, in spite of the magnificent work which is being done by that body, it is necessarily hedged around with the utmost secrecy. This interesting story will have to be told at another time. To-day I plan to confine my remarks to wheat.

May I just briefly express my appreciation of the remarks which have been made on this subject during the course of this debate by hon. members opposite. They have approached the subject in a fair, helpful and constructive manner. We all know that if we were faced with a very serious wheat problem when we were here last session, the gravity of the 1941 wheat outlook is many times more serious. Before touching on 1941 I propose to review the 1940 situation.

I desire to give to the house as detailed a statement as possible of the situation in regard to wheat since the house rose in August.

At the last session of the house I asked for certain amendments to the wheat board act as it then stood. These amendments were particularly important because they dealt with the appointment of an advisory committee to the wheat board, provision for regulation of deliveries, a new section dealing with the processing levy, and the inclusion of Vancouver with Fort William and Montreal as a delivery point on which the advance payment is made.

Before proceeding to deal with action which has been taken under the amendments to the act I desire to give to the house a statement of the position in which we found ourselves as the harvesting season approached and during that time.

With the close of the crop year at July 31 last, we had on hand 273,086,845 bushels of wheat in Canada and we had, in prospect, the harvesting of a wheat crop far in excess of the normal expectations of the agricultural industry. As the crop matured, it was seen

that provision would have to be made for a crop of at least 500 million bushels and the final result in the west now approximates 520 million bushels. Immediate consideration had to be given to the question how this crop was to be handled.

Because we realized that, unless storage facilities were available, a very difficult financial situation would arise for wheat producers, our aim was to provide for the handling of an amount of grain equal, at least, to that delivered by producers from a normal crop. The average wheat crop of western Canada over a period of the last ten years is 307,012,800 bushels out of which there was an average marketing of 262,390,535 bushels. But we went higher than this, and took as a basis for our plans an abnormal crop of 400 million bushels, about 100 million higher, and we reasoned that, if the government, through the wheat board, was able to take delivery of 335 million bushels, which would represent the deliverable part of a 400 million bushel crop, we would have placed the prairie farmer and western business interests in a position approximately coinciding with the normal expenditure of both these factors in the western economy.

Normally, of course, not more than 80 per cent of this 335 million bushels would be marketed in the first four months of the crop year to December first, and 20 per cent from December 1 to July 31 of the following year. Therefore, we set ourselves the task of arranging to take at least 268 million bushels by December 1.

To ensure that the farmers who threshed earliest, and that those who lived in close proximity to the elevators would not be able to deliver all their grain and thus shut out other farmers, the wheat board exercised the authority given to them at the last session and issued permit books. These books contained an affidavit to be signed by the farmer setting out the total seeded acreage that he had, the location of this acreage and the point at which he desired to deliver his grain. A statutory declaration covering these points was made in duplicate, one copy to be left in the permit book and the other returned to the wheat board at Winnipeg. As the farmer delivered his grain the exact amount was entered in the permit book.

In passing I may say that the wheat board have received nearly 300,000 of these statutory declarations, and they provide us with a fund of information in regard to seeded acreages which will be extremely valuable in connection with arrangements which may be made during the next crop year.

[Mr. J. A. MacKinnon.]

The purpose of the permit book was to provide an equitable sharing of the available elevator space. It was difficult, at the start, to know just what this share would be, but on the basis of preliminary calculations the wheat board first announced a quota of five bushels each of wheat, oats and barley per seeded acre. We immediately got hundreds of requests that the three quotas be made interchangeable, but it was originally calculated by the wheat board that, on this basis, not over three or three and one-half bushels of wheat could be taken. The wheat board knew from actual experience that the full quota of five bushels each of oats and barley would not be delivered by all the farmers as the greater quantity of these grains are held on the farms for feed purposes.

Because deliveries were inadequate to meet the demand for barley, the quota was increased from five bushels to ten bushels per acre on August 24, and on September 4 this quota was removed entirely. It was found that the bulk of barley was held for feed, deliveries would not exceed the demand, and would not interfere with storage. The action in removing the barley quota entirely has been fully justified by the result.

Because of a similar situation the quota on oats was removed entirely on September 9. Actually, the demand for oats has kept pace with the deliveries.

The first increase in the wheat quota came on September 9 and a large number of points were increased to 8, 10, 12 and 15 bushels per acre. With the gradual clarification of the situation, the general quota all over western Canada was increased on September 13 from five bushels per acre to eight.

The five bushel per acre quota would have provided for delivery of 139 million bushels. The eight bushel quota provided for delivery of 222 million bushels.

To clarify the situation, Mr. Speaker, with the consent of the house I would like to place on *Hansard* a statement showing the acreage in the three western provinces, the yield per acre, the production, the marketable surplus, the amount provided by the quotas and the quotas in percentage of marketable surplus, and also a statement showing the actual deliveries which have been made in the three provinces, and the percentage of deliveries to quota.

Mr. DOUGLAS (Weyburn): Up to what date?

Mr. MacKINNON (Edmonton West): Up to November 17, a few days ago, I believe it is. The statement is as follows:

Wheat quotas established and marketable surpluses as at November 19, 1940

Province	Area (acres)	Yield per acre (bus. per acre)	Production (bushels)	Estimated marketable surplus (bushels)	8-bushel quota (bushels)	Estimated[1] additional quotas (bushels)	Estimated total quotas established (bushels)	Quotas in per cent of marketable surplus (per cent)
Man...	3,512,000	19·9	70,000,000	60,180,750	28,096,000	10,000,000	38,096,000	63·3
Sask..	15,571,000	16·7	260,000,000	225,726,350	124,568,000	43,000,000	167,568,000	74·2
Alta...	8,667,000	21·9	190,000,000	165,675,710	69,336,000	23,000,000	92,336,000	55·7
	27,750,000	18·7	520,000,000	451,582,810	222,000,000	76,000,000	298,000,000	66·0

[1] To November 19, 1940.

The general 8-bushel quota provides for the delivery of 222,000,000 bushels. In addition, the board has authorized quotas of 10, 12, 15 and 20 bushels per acre at a large number of points, and these additional quotas provide for the delivery of approximately 76,000,000 bushels. Total quotas authorized by the board now aggregate about 298,000,000 bushels, or 66 per cent of the estimated marketable surplus from the 1940 crop.

Under the quotas now established by the board, 63·3 per cent of the Manitoba surplus, 74·2 per cent of the Saskatchewan surplus, and 55·7 per cent of the Alberta surplus comes within the established quotas.

Number of Stations in Prairie Provinces having 8- 10- 12- 15- and 20-bushel wheat quotas as at November 16, 1940

Province	*Total No. elevator points	8	10	12	15	20
		Bushels per seeded acre				
Manitoba	372	83	94	76	90	29
Saskatchewan	1,137	390	266	199	180	102
Alberta	611	182	165	132	91	41
Total	2,120	655	525	407	361	172
Per cent of total		30·89	24·76	19·20	17·02	8·11

* Elevator shipping points only.

Estimated Quotas and Marketings

The following table shows deliveries of wheat to country elevators in each of the three prairie provinces from August 1 to November 15, along with the quotas established for each province and the percentage of wheat delivered under these quotas.

Province	Delivered[1] (bushels)	Quotas established[2] (bushels)	Percentage delivery of quotas (percentage)
Manitoba	30,354,529	38,096,000	79·7
Saskatchewan	123,981,200	167,568,000	74·0
Alberta	66,719,604	92,939,000	71·8
	221,055,333	298,603,000	74·0

The above table shows that 74 per cent of the established quotas in the prairie provinces have been filled.

In Manitoba, 80 per cent of delivery quotas have been filled up to November 15. The corresponding percentage figure for Saskatchewan is 74 per cent and for Alberta 72 per cent.

[1] Includes country elevator receipts and platform loadings up to November 15 and excludes primary receipts at interior private and mill elevators, amounting to 2,647,797 bushels.

[2] Quotas as at November 19.

I am not going to take the time of the house to give these figures in detail now but I would summarize them by saying the total wheat area was 27,750,000 acres; the average yield per acre in the three provinces was 18.7 bushels, giving a total production of 520 million bushels, the figure mentioned a moment ago.

It will be noted that the actual yields were as follows: Saskatchewan, 16.7 bushels per acre, Manitoba, 19.9, and Alberta, 21.9. Allowing approximately 68½ million bushels for feed, seed, etc., this left a marketable surplus estimated at approximately 451,500,000 bushels. The eight bushel quota provided for 222 million bushels. As at November 19, just the other day, additional quotas have been authorized at different points to an amount of 76,000,000 bushels, making total possible deliveries under the quotas 298,603,000 bushels or 66 per cent of the total marketable surplus. Actually as at November 15—just a week ago—223,819,660 bushels had been delivered, or a total of 74 per cent of the established quotas, as at the 19th. Please note that quotas have been provided for 298,603,000 bushels, although for one reason or another deliveries to the extent of 223,819,660 bushels only have actually been received.

At the present time 70 per cent of the shipping points in western Canada have a quota of over eight bushels, some of these running as high as twenty bushels where exceptional storage space is available or where very exceptional conditions have to be met, and I am now informed that the general quota will be raised from eight bushels to ten bushels next week. There will be further quotas established from time to time during the crop year as wheat is moved into export and consumption channels.

You will see from these figures, Mr. Speaker, that the board have been successful through the splendid cooperation of the elevator companies in providing storage, sufficient to look after the marketable surplus from a much greater than average crop, as mentioned by me a few minutes ago.

It is interesting also to compare the deliveries this year to date with the deliveries in previous years. The actual marketings from August 1 to November 15 have averaged during the last ten years 183,098,831 bushels. In the last three years, the average marketings have been 218,229,357 bushels, so that the actual marketings so far this year have exceeded both the three-year and the ten-year average and, as a matter of fact, have been exceeded only in four previous years—1928, 1932, 1938 and 1939. The latter year, you will remember, Mr. Speaker, was not only a very heavy crop year, but a year in which the grain was marketed at an exceptionally rapid rate.

It is also interesting to note that the value of the crop marketed to November 15 is almost $10,000,000 over the average for the past ten years and is only $21,800,000 less than the average for the last three years up to that date. What is most important, however, is that the farmers will still have wheat undelivered to the value of over 120 million dollars, which is 70 to 80 million dollars more than the value of the grain in their hands at this date during any time in the last ten years. This is a large reserve of payment or purchasing power.

I would like to point out, Mr. Speaker, something of the problem that the government has had to face in the last two years. We set a price of 70 cents per bushel for No. 1 wheat in store at Fort William and Vancouver, and for eastern Canada at Montreal, for both the 1939 and 1940 crops. The 1939 crop in the prairie provinces amounted to 493 million bushels. The 1940 crop, as I have said, is estimated at 520 million bushels. This means that in addition to the enormous expenditure on Canada's war effort, the dominion government has extended a guaranteed price on production totalling over one billion bushels of wheat, of which amount we expect approximately 900 million bushels will be delivered by the farmers.

We did this in the full knowledge of the effect that the war was having upon markets for wheat. The war itself and particularly Hitler's aggressions have greatly restricted the range of our markets. For example, in July, 1939, Canada shipped wheat to eleven countries in Europe, and in August, 1940, Canada shipped wheat to three countries only in Europe, the United Kingdom, Eire and Portugal, approximately 600,000 bushels in all to the latter two countries. Through its maintenance of a guaranteed price, and through the activities of the Canadian wheat board, the government prevented the effects of this narrowing of markets from falling upon the Canadian wheat producers, particularly of the prairie provinces and upon the western economy as a whole.

With the approach of the harvest season there was general fear throughout the west that with only a five bushel quota there would be widespread financial difficulties because of the inability of the farmers to obtain enough money from the grain they were allowed to market to provide for their necessary expenses. Quite frankly I also shared that view and so stated in this house at the close of the last session. The situation, however, improved much more rapidly than we had anticipated and the general quota increase from five

bushels to eight bushels, together with the further increases in the quotas at so many points, materially changed the picture.

There are those who say that still more should have been done. In addition to guaranteeing a price we should, they claim, either directly or through the chartered banks, undertake to advance up to 75 per cent of the value of all wheat remaining on farms, which would actually mean that we would have to extend our immediate obligations in respect to wheat by at least 75 million dollars.

Advances on this scale would have meant adequate arrangements not only for provision of weather-proof and theft-proof storage facilities but also for the setting up of local organizations throughout the west to look after the inspection, measurement and sealing of the wheat. No one, I think, could rightly ask the federal government to launch a loan programme of this sort without having the wheat properly stored, and subject to proper inspection. Our first object then was to increase to the greatest possible extent the elevator storage facilities so that the farmers could secure the full price for more of their grain.

We had in all a rated storage capacity of slightly more than 442 million bushels including annexes. After allowing for working space this gave us an estimated 420 million bushels of actual storage capacity. As at July 31, there were 243 million bushels already in storage, leaving the available space at approximately 177 million bushels. I am dealing here, of course, only with Canadian storage. Steps were taken to encourage the construction of additional storage facilities throughout the prairies, and an agreement was made with elevator companies that the cost of temporary storage could be written off by them over a period of two years in reporting for income tax purposes. As a result of this action additional storage capacity to the extent of 60 million bushels has been built by elevator companies throughout the west.

With regard to loans against farm-stored wheat, the government approached the banks and elevator companies to act as principals in a loan programme. Because of the lack of adequate safe storage on the farms no private agency would assume the risk in making loans. These agencies, the banks and elevator companies, were in a better position to discriminate between good and bad risks than was the government, had the latter attempted to direct a lending programme. The very fact that private agencies would not interest themselves in this business suggested that a loan programme under the conditions of open storage on farms might be subject to wide abuses if undertaken by the government. The government had no alternative except to make as extensive provision as possible for deliveries from the farms and, as I have pointed out, this has to my mind been successfully accomplished.

We realize, of course, that even if we were able to accept normal deliveries, there would still be a large amount of grain which would have to be carried over on the farms for some months at least, and we adopted the principle of paying farmers the same rate of storage for grain held on the farm as was being paid to elevator companies, namely, two-thirds of a cent per bushel per month. This provision induced many farmers to provide extra storage for themselves, they preferring to store their own wheat and get the enhanced prices available thereby.

With the permission of the house, Mr. Speaker, I should like to place on *Hansard* the schedule of payments which will be made for farm storage.

Mr. HANSON (York-Sunbury): Is it very long?

Mr. MacKINNON (Edmonton West): It is not very long, but it contains a number of fractions. It is as follows:

Schedule of Payments for Stored Wheat

Time of delivery to the board (dates inclusive)	Board's fixed price No. 1 Northern basis Fort William and Vancouver (cents per bus.)	Farm storage payable (cents per bus.)	Board's fixed price plus farm storage (cents per bus.)
November 1 to November 22	70	½	70½
November 23 to December 15	70	1	71
December 16 to January 7	70	1½	71½
January 8 to January 30	70	2	72
January 31 to February 22	70	2½	72½
February 23 to March 17	70	3	73
March 18 to April 9	70	3½	73½
April 10 to May 1	70	4	74
May 2 to May 24	70	4½	74½
May 25 to June 16	70	5	75
June 17 to July 8	70	5½	75½
July 9 to July 31	70	6	76

This schedule has been made up in broken periods so as to show increases at the rate of one-half cent for those particular periods rather than awkward fractions. A farmer delivering his wheat after November 1 will receive, in addition to the guaranteed price, the extra amount for the period during which he holds the wheat. If, therefore, a farmer holds his wheat until the end of the crop year, he can receive an additional six cents a bushel over the initial price.

I would like to say also, Mr. Speaker, that arrangements are being made so that all of the wheat deliverable from the 1940 crop will be accepted by the wheat board prior to the end of the present crop year. Any storage that has to do with the 1941 crop will probably involve increased storage in elevators and farm storage.

The wheat board, however, cannot hold quotas open indefinitely. If farmers are holding back their wheat at certain points and elevator space is lying unused, then the board, after a reasonable time, reserves the right to increase the quotas at that point to enable those who have no storage or who desire to do so, to deliver sufficient wheat to fill the available storage.

The arrangements that have so far been carried out, Mr. Speaker, have not, of course, operated without difficulties. In so far as creditors are concerned, the increase in quotas has relieved the situation to a very great extent, because the great majority of the farmers desire to clear their liabilities as rapidly as they can obtain the money to do so.

A suggested arrangement which has worked out very satisfactorily has been for farmers to deliver grain to creditors, who act as warehousemen for the farmers, and as quotas are increased the grain so held is being delivered on the farmer's permit, the cash grain ticket being turned over to the creditor without any change in the participation certificate to which the farmer is entitled.

Mr. HANSON (York-Sunbury): Would not that be in contravention of the act?

Mr. MacKINNON (Edmonton West): I do not think so. Under these circumstances the ownership does not change. The merchant or other person accepting wheat from the farmer in that way simply holds it as trustee for the farmer.

Mr. HANSON (York-Sunbury): It is stretching the definition of "producer" pretty far, is it not?

Mr. MacKINNON (Edmonton West): I do not think so. In any event, it is working out fairly satisfactorily.

There have been some cases of hardship where landlords who have been seriously in need of finances have not been able to make arrangements with their tenants for a share of the deliveries, but these cases have not been many and it is hoped that with further increases in quotas and deliveries there will be a satisfactory division among all parties.

As I said earlier, Mr. Speaker, the amendments to the wheat board act provided for a processing levy against all wheat milled for human consumption in Canada.

Mr. HANSON (York-Sunbury): May I ask the minister whether that was intended to cover domestic wheat supplied by farmers to a little mill in New Brunswick for gristing? It is a grievance down there.

Mr. MacKINNON (Edmonton West): I shall refer to that in a moment. In fact that matter is at the moment and has recently been receiving very earnest consideration by the wheat board.

Mr. HANSON (York-Sunbury): I think it ought to be abandoned.

Mr. MacKINNON (Edmonton West): It may be recalled that in my statement to the house at the last session I referred to the very considerable drop which had occurred in the price of wheat just at seeding time, due to the developments in Europe. The result of these developments was that instead of the farmers having a market of at least 90 cents a bushel, the actual price at Fort William was 71 and a fraction cents. It was felt that some arrangements should be made to assist the farmers, if at all possible, and the arrangement of the processing levy was decided upon. The amount of this levy was to be fixed by order in council but was not to exceed 15 cents per bushel according to the amendment. By order in council dated the 24th of July a levy of 15 cents per bushel was provided for, and it was realized that 15 cents a bushel would be the equivalent of 70 cents per barrel of flour.

When I announced the processing levy in the house, I stated that it was to be remembered that this levy should not result in an increase in the price of bread. Immediately the levy was announced, however, considerable agitation in regard to possible increases in bread prices commenced, and at Vancouver the price of bread was actually increased.

The war-time prices and trade board immediately took action, and on the 6th of August issued an order limiting the amount which could be passed on to consumers by the flour millers to one-half the levy.

A full investigation was held by the war-time prices and trade board of the representations made by the milling companies that they could not absorb one-half the levy in accordance with the board's order. The

position of the millers in this matter was substantiated after investigation by independent auditors, and the board on September 6 rescinded their previous order of the 6th of August and since that date the full levy has been passed on by the processors.

I have been represented in this debate as having stated that this processing levy would not be passed on to the consumer, but my only statement in this regard was the one to which I referred a few minutes ago when I said that it was not anticipated that the processing levy need result in an increase in the price of bread. As a matter of fact, Mr. Speaker, there have been no increases in the price of bread, certain adjustments having been made by the bakers so as to absorb the processing levy.

Some farmers gristing their own wheat objected strenuously to paying this levy, but it has been our opinion to date that as the processing levy was intended for the benefit of the farmer he should not object to paying the comparatively small share which he was called upon to pay on wheat gristed for his own consumption.

Representations have been made of hardship in connection with this levy in certain parts of the maritime provinces and this is a matter that is giving us concern at the present time.

In the maritime provinces—Prince Edward Island and New Brunswick at least—a number of mills have been established to serve local communities. These mills have been started, I believe, by the provincial government, and I am told that they are just barely able to keep going and that this processing tax is bearing heavily upon them. It is not really a heavy tax, but in their present position they find it difficult to handle the levy. This is, as I have said, under consideration.

I have mentioned the amendment which provides for a larger advisory committee to the wheat board. This committee consists of eleven members, of whom six more particularly represent wheat producers, appointed to assist the board. The members were appointed by order in council dated August 27. I would ask permission to place on *Hansard* the committee membership. It is as follows:

Advisory Committee to Wheat Board

Vancouver
Mr. Fred. H. Clendenning, Vancouver.

Alberta
Mr. Lew Hutchinson, Duhamel, Alberta. (Chairman, Alberta Wheat Pool).
Mr. Paul Farnalls, Helkirk, Alberta. (President, Western Union of Municipalities).

Saskatchewan
Mr. J. H. Wesson (President, Saskatchewan Co-op. Wheat Producers).
Mr. J. A. McCowan, Summerberry, Sask.

Manitoba
Mr. D. G. McKenzie (1st Vice-pres., United Grain Growers Ltd., Winnipeg).

Ontario producer
Mr. Fred. Pettypiece, Auld, Ontario.

Quebec consumer
Mr. Rosario Messier, Contrecoeur, P.Q.

Line elevators
Mr. A. C. Reid (Pres., North West Line Elevators Ltd., Winnipeg).

Millers
Mr. D. A. Campbell (former Pres., St. Lawrence Flour Mills Co., Toronto).

Exporters
Mr. R. C. Reece, K. B. Stoddard & Co., Winnipeg.

I would like to express my apreciation of the very great interest which has been shown by every member of this committee. Three meetings have been held, the first on August 26 and 27, the second on September 30 and October 1, and the third on Monday and Tuesday of this week. Another meeting will be held in about two weeks' time.

At the meeting this week the committee considered, with the wheat board, possible plans for 1941 and ensuing years. A subcommittee consisting of Messrs. Farnalls, Reece, Reid, Wesson and Campbell is now working on the whole problem and this subcommittee will report to a meeting of the whole advisory committee early in December. All members of the committee have shown a real desire to be of every possible assistance to the wheat board in working out the problems which have confronted them. Full reports have been made to me as directed by the act.

There have been many representations made this year to both the board of grain commissioners and to myself personally, and I am sure to my colleagues and to members of the house generally, in connection with grading of this year's crop. I suppose there is never a year when there are not complaints from some quarters in regard to the grades, but I would point out that under the board of grain commissioners we have built up an inspection and grading service which is recognized as second to none in the world. The result has been that a certificate issued by the grain board is accepted at face value in any part of the world to-day. It is important to our whole wheat export business that there be no lowering of the standard of our grades.

The most insistent complaint in connection with grading this year came as the result of the prevalence of cracked wheat in the deliveries. This, we are advised, was largely due to the fulness of the kernels, the dryness of the wheat and the fact that farmers were not properly adjusting their combines and their threshing machines. Ordinarily a certain

amount of cracked wheat can be permitted, but the situation became so widely prevalent that action had to be taken. The board of grain commissioners issued a statement, and followed that up with a broadcast by Mr. J. Ansel Anderson of the grain research laboratory. Once the matter was called to the attention of the farmers and remedies suggested, the prevalence of the occurrence of this cracked wheat immediately became less pronounced and comparatively few complaints were made in the last few weeks of the threshing season.

Another matter, Mr. Speaker, that has given us considerable concern was the situation that arose in Alberta due to a very large quantity of tough and damp wheat, the consequence of bad weather which occurred during harvest time in a portion of Alberta which ordinarily enjoys a dry harvesting season. It was at first estimated that a total of not more than 25 million bushels was in this category. Recent surveys would indicate that the figure will be very considerably less. Because there was no certainty at first that the elevator companies would be able to ship this wheat out before it began to deteriorate in their elevators, deliveries for a while were impossible. The wheat board took prompt action. Chief Commissioner Mr. George McIvor and some of his staff made a special trip to Alberta to check personally on the situation. As a result immediate arrangements were made for additional cars to be placed at the particular stations affected, and this car movement is now working satisfactorily so that deliveries from farmers of tough and damp grain will be moved to terminal elevators for drying purposes. This will relieve what otherwise might have developed into a serious situation, with producers suffering loss on account of deterioration of their wheat.

Mr. QUELCH: Could the minister give the amount of the spread in the price of tough and damp wheat?

Mr. MacKINNON (Edmonton West): I cannot say offhand.

It is essential that all farmers who have tough or damp wheat in danger of deterioration should deliver at once in order that steps may be taken to have it properly housed.

In speaking of grading, Mr. Speaker, I might say on the basis of the first three months' inspection this crop has graded higher than any previous crop and has a higher percentage of No. 1 northern than in any previous year.

Before going on to deal with the situation in the coming crop year, I would like to touch briefly on one matter which is frequently brought to our attention. This is the possibility of finding new uses for wheat.

[Mr. J. A. MacKinnon.]

Every probable avenue has been tentatively, if not exhaustively, explored by our national research council for years. The most popular idea is the development of power alcohol from wheat, but our experiments to date show that this is not economically practical. To make it so, according to our experiments, wheat would have to be purchased for about thirty cents a bushel. Experiments and investigations are continuing.

At the present time, Mr. Speaker, those of us particularly charged with the responsibility for wheat are endeavouring to arrange for the construction of additional wheat storage. This we believe is needed to enable us to carry out our intention to accept from the producers all of the 1940 wheat crop in this crop year.

None of us is unmindful of the situation which we shall have to face, in dealing with the 1941 crop. We here, and those vitally interested in wheat production and in wheat handling, are and have been giving intense study to this problem. There can be great changes in the situation in a few months' time, but we all fully recognize that a wheat policy covering the 1941-42 crop year must be announced some time in February, well in advance of the seeding season. From the standpoint of the wheat board and my Department of Trade and Commerce, unless there are radical and unexpected developments overseas, the 1941 wheat policy will have to be decided upon with a knowledge that apart from domestic consumption only between possibly 140 and 175 million bushels can be exported in the crop year ending July 31, 1942.

I would remind the house that as Minister of Trade and Commerce, it is the marketing facilities through the board of grain commissioners and the wheat board which are under my jurisdiction. In other words, my department's responsibility begins with the delivery of the wheat to us. Any matters relating to operations on the farm lie within the jurisdiction of my colleague, the Minister of Agriculture (Mr. Gardiner), and with the provincial departments of agriculture.

I have endeavoured, Mr. Speaker, to cover all the points which have been brought to my attention since the house rose in August and to give to the house as much information as possible. I would like to say to the hon. members of this house that we stand ready at all times to give as complete and full information to them, respecting the wheat situation, as can properly be given. It is obviously impossible, however, for me to disclose the situation of the wheat board in regard to actual sales or actual prices at which sales have been made. I say also quite sincerely that we will welcome constructive criticism.

I would like to express my sincere appreciation to the members of this house representing constituencies other than those in western Canada for the sympathetic consideration which we have received from them in dealing with the problems of the prairie wheat producer. The majority of the members realize the difficulties which the western farmers are facing, and it has been a matter of considerable gratification to me to know that we have the generous support of these members in connection with the actions which have been taken dealing with the wheat problem.

The problems which have been faced by the wheat board in the last few months have been tremendously difficult. I believe that the members of the board are to be congratulated on having so capably handled the problem. They have had to evolve and put into practice new methods and new ideas. That has been done successfully and with the minimum of friction. I wish to assure every member of this house, and particularly those representing agriculture, that this government stands squarely behind a policy of giving the utmost protection to the farmer. That, I think, has been proven by the burden which we have already assumed. We all understand that our primary purpose at this time must be so to organize our whole economic life in Canada that our success in the war will not be jeopardized in any degree. I believe the great majority of farmers are reasonably satisfied with what has been done and will be done by this government.

I hope that what I have said this afternoon will not be construed as an argument that all the wheat growers are in a happy position to-day and that little need be done for them. They are not unmindful of the responsibilities that Canada is assuming, and although the 70 cent per bushel advance payment may not give many farmers even a meagre profit over cost of production they are accepting this as part of their contribution to the war effort. We are undertaking to see that they do not bear an unfair share of the burden.

Mr. PERLEY: Can the minister say whether any arrangements have been made, or are under consideration, with the British government for the export to that country of wheat milled here in considerable quantities and shipped in the form of flour?

Mr. MacKINNON (Edmonton West): If I understand the question correctly, the hon. member wishes to know whether I have any information about arrangements that have been made.

Mr. PERLEY: Or under consideration.

Mr. MacKINNON (Edmonton West): I have heard nothing of any such arrangement, and I do not believe any such arrangement has been discussed. I do not think, however, that I need hesitate to say that recently very much more than normal quantities of wheat have been shipped to the old country in the form of flour, and for obvious reasons.

Hon. H. A. BRUCE (Parkdale): I desire for a moment to call the attention of the government and of the house to the acute shortage of housing in Canada. The United States have recently decided to build 300,000 pre-fabricated houses to take care of the situation which they expect to develop there during the coming year, and I think Canada, because of our great timber resources, is in a particularly fortunate position to undertake the building of pre-fabricated houses. I do not intend to go into the subject fully to-day because, after the recess, a better opportunity will be accorded. I should like, however, to say a word in commendation of the branch which the Department of Finance has set up for the purpose, namely, the national housing administration. This is under the direction of Mr. F. W. Nicolls, R.A.I.C., a prominent architect and a most capable officer. He has done extraordinarily good work during the last five years in connection with housing. I should like to see his department enlarged so that he could have more opportunity for research, particularly with regard to building material and methods of construction.

Anyone who knows anything about the housing problem will realize the great importance of town planning in connection with housing, and before we go any further in the building of houses which are so urgently needed in Canada, I urge upon the government the necessity of establishing a separate bureau of experts in town planning attached to the housing administration. To do so, it will be necessary to have an amendment to the housing act to give authority for town planning.

Another matter which I had thought of discussing at this time but which perhaps will also be better deferred until after the Christmas recess is the question of national health insurance. When the national Unemployment Insurance Act was put on the statute books last session, nothing was done with regard to the problem of health. When the British House of Commons passed their national Unemployment Insurance Act in 1911, the first part, and I think the most important part of that act, dealt with health insurance, comprising not only insurance against ill health which necessitates the loss of employment but also the prevention and

cure of sickness. I was in England when that act was introduced in the British House of Commons and I remember very well the many protests from the medical profession. As members of this house and members of the government, most of whom are professional men, know, there is always a degree of suspicion and fear lest some new enactment may interfere with the prerogatives of members of a profession. Although that fear was expressed loudly throughout England at the time, I am happy to be able to say that in the course of ten or fifteen years the men who were loudest in their protests against the enactment of health insurance in England admitted that it was a good thing not only for the British people but also for the medical practitioners as well; and to-day I think the profession in the mother country will be found to be unanimous in their support of the national health act. Hon. members may know that Germany introduced a similar act fifty years ago, and I believe it has operated successfully in that country.

I mention this now because the Prime Minister (Mr. Mackenzie King) has told us that in January he is calling the premiers of the provinces together to consider the Rowell-Sirois report, and I hope that at that time this question will be brought to the fore, and that perhaps, if the provinces will give their consent, an amendment to the national Unemployment Insurance Act will be undertaken during the next session to include this important matter of health.

I have twice been deeply shocked during this session. Last Thursday a minister of the crown, back after about four weeks in heroic Britain, rose in his place and boasted to this house that he had made millions for Canadians by his shrewd bargaining with the defenders of everything we hold dear. I could scarcely believe that the time could ever come when anyone would be triumphant over bargains arising out of the motherland's necessity in her hour of direst need. Surely if there ever was a time—

Mr. GARDINER: Mr. Speaker, on a question of privilege, I did not boast that we made millions as a matter of bargaining with Great Britain. We accepted, with no bargaining, the prices that Great Britain offered us.

Mr. HANSON (York-Sunbury): There is no privilege in that; that is merely a matter of opinion.

Mr. GARDINER: It is a statement of fact.

Mr. DEPUTY SPEAKER: The hon. gentleman who had the floor said that the hon. Minister of Agriculture (Mr. Gardiner) a few days ago had boasted of having made a shrewd bargain with Great Britain. The Minister of Agriculture is within his rights and within the rules of the house in stating that he did not make such a statement.

Mr. BRUCE: Mr. Speaker, I refer to *Hansard* of November 14, which contains the report of the speech of the Minister of Agriculture. On page 100 is given a statement of the value of exports of certain Canadian agricultural products and fish to the United Kingdom for the years 1935 to 1940, with estimated figures for 1941. The value of those exports in 1935 was $34,133,394; the value for 1941 it is estimated will be $105,741,000. For nine months of this year the value was $63,343,411.

Mr. GARDINER: Largely without increasing prices and, in some instances, even with decreasing prices.

Mr. BRUCE: Well, that may be so—

Mr. GARDINER: It is so.

Mr. BRUCE: —but I do not think it alters the situation; and if the minister has anything further to say, perhaps he will be good enough to wait until I have concluded my few remarks.

Mr. HOMUTH: Let him make another speech afterwards.

Mr. GARDINER: I can do that if necessary; I have two more rights.

Mr. BRUCE: I was about to say that surely if there ever were a time when we should make a thank-offering, it is now. Let us open our bursting granaries to Britain and give her our wheat. Now is not the time to drive bargains or seek higher prices than are prevailing right at home. Certainly we must pay the farmer, and pay him a fair price, but let our dealings with Britain be on a basis of a thank-offering out of our abundance.

Last Sunday night the second shock came. The Minister of Agriculture in his dual capacity as Minister of National War Services, said on a nation-wide radio hook-up:

> Factory managers who contend they cannot produce to capacity without interfering with the training of men may have to be told by someone, just as they are being in Britain, that they as factory managers are not good enough for war time.

The inference from those words is plain: Do what I tell you—or else. He was addressing the patriotic industrialists of Canada.

Mr. GARDINER: Again I rise to a question of privilege. The hon. gentleman is reading into my statement in the house and into my statement last Sunday night something

which was not said. The statement which I made was based upon correspondence which I have from factories, and one factory in particular, which refused to send any men to the camp. I am prepared to back up my statement.

Mr. HANSON (York-Sunbury): The hon. member for Parkdale is putting his interpretation on the minister's statement. That is done in this house every day and is a legitimate practice. Are we to be muzzled?

Mr. GARDINER: The hon. member let me have the floor to correct it.

Mr. HANSON (York-Sunbury): But given an inch you take the whole ell.

Mr. BRUCE: I have quoted, Mr. Speaker, from a press release from the office of the director of public information. My quotation will be found on page 9.

Mr. GARDINER: And, speaking for the two papers which have done most of the talking to which I referred.

Mr. HANSON (York-Sunbury): Oh, now, that is most uncalled for.

Mr. GARDINER: It is not uncalled for.

Mr. HANSON (York-Sunbury): Let the hon. gentleman proceed. I implore you, Mr. Speaker, to ask the Minister of Agriculture (Mr. Gardiner) to be courteous to the hon. member who is now addressing the house.

Mr. SPEAKER: The hon. member for Parkdale has the floor and will proceed without interruption.

Mr. BRUCE: The Minister of National Defence (Mr. Ralston) said the other day that the army and the men in the factories were partners, that they realized how essential each other's services were. With that I heartily concur. Here, however, is the view the Minister of National War Services has of the importance of labour. I quote from the same radio speech:

> My observations in Britain lead me to conclude that we can put too much emphasis upon the need for skilled labour. I inquired in factories and shipbuilding yards everywhere and was told in every line of industry that not more than five per cent required any skill before coming in to do the job, and in a very short time they could operate the machines and tools in the plant.

Mr. GARDINER: Correct.

Mr. BRUCE: The Minister of National Defence said that he would see industrialists in England before trying to work out a new system of training recruits on a widespread system of granting exemptions. His colleague blew into England like a Saskatchewan dust storm, bargained for millions of dollars' worth of bacon, cheese, apple juice, tomato juice, and saw everything there was to see in the factories. Exemptions are not needed, he says. Only five per cent of the workers need to be skilled, he tells us. It does not matter what experts have been telling us for months. It does not matter what the Minister of National Defence says or finds out. The one-man cyclone from the prairies has been there first. He talked to the workers. He watched the workers. From his long experience—

Mr. HOMUTH: In industry.

Mr. BRUCE: —he tells us, and I again quote from the radio speech:

> One girl running a rather important machine said she lived in the country. . . . I have seen similar girls milking cows, and I am sure it took much more nerve, ingenuity and skill to sit on a stool and pull teats than it did to operate this inanimate creation.

In conclusion, Mr. Speaker, I want to say to the government: We wish to cooperate with you and assist you in every way possible in your war effort, but in turn we expect you to be frank with us and let us know the facts. After listening to the statements of the ministers, one would conclude that everything they had done was one hundred per cent perfect. We would be more likely to believe them if they admitted sometimes that they had made mistakes. They could not do better than follow in this respect the example of British ministers. I will conclude by quoting a few words from Mr. Churchill's speech of yesterday, in which he says:

> I have never concealed from the nation or the house the darker side of our dangers and burdens, but it is in adversity that British qualities shine brightest.

I hope and believe that the same may be said of Canadians.

Mr. R. T. GRAHAM (Swift Current): Mr. Speaker, I wish first of all to join with the many other members who have addressed this house at this particular session, in expressing my pleasure at the high character of the addresses of the mover and the seconder of the address in reply to the speech from the throne. I sometimes think that the Prime Minister (Mr. Mackenzie King), the Minister of Justice (Mr. Lapointe), the leader of the opposition (Mr. Hanson) and others long experienced in this House of Commons must feel a certain degree of pleasure in seeing the influx of young men into our parliamentary life, and I am inclined to suppose, from talking to some of these older members, that this particular parliament is distinguished in that regard. It seemed to me a happy circumstance that

both the mover and the seconder were comparatively young men, and that they have elevated, by making such fine presentations to this house on that occasion, the high esteem which the country as a whole has for our young people.

As is quite proper, almost every hon. member who has addressed this house has dealt first with Canada's war effort. That undoubtedly is as it should be, because of course we are a unit in placing the war effort first in our minds and our hearts. There is no problem confronting this country that is not closely associated with the successful carrying on of that effort which we as a nation must make our foremost aim—as speedy a victory as possible in the war in which we are engaged. I for one desire to express to the Prime Minister and the members of his government my high appreciation of the leadership that he and his cabinet are giving to the country and to parliament. I have listened to a number of criticisms directed at the government, but I admit that I am not so much concerned whether a particular unit is short a few shirts or a few boots if I am satisfied that the ministers in charge of our war effort are men of high integrity and lofty character, animated by the purpose with which we wish them to be animated, that is to say to give Canada the most efficient, effective and worth-while effort in the present war. Having listened to these accounts of stewardship given by the different ministers, may I say that to me, and I am sure to Canadians in general, the character, the working capacity and the high purpose of our ministers are a matter of great pride.

I have just finished reading a new life of the elder Pitt, Earl of Chatham, and when we think back to the political conditions which existed in those days we are inclined to wonder how there comes to be still an England. So again I wish to express my pride that, in the record which has been laid before this parliament and in the discussions that have followed, never by innuendo, by insinuation or by direct statement, having in mind the hundreds of millions of dollars which are being expended by this country in its war effort, has there been the slightest suggestion that the conduct of the government is not honest, that the men who are in charge of the war effort are not above possible reproach. It is no small thing that we as a country have men of such high character and integrity.

In connection with our war effort there are one or two matters of which I would like particularly to speak. One must again compliment the government upon having taken, at the outbreak of war, such speedy action in attempting to control what might easily have been a course as disastrous as the one followed in the last war. I have in mind the matter of price control in respect of certain necessary commodities. That action must not have been taken without deliberation beforehand, and I believe the ministry is to be complimented upon having gained something from the lessons which were learned in such a costly manner during the last war, and upon applying the experience gained at that time to see that so far as humanly possible the same results may not flow again.

Yesterday I listened with keen interest indeed to the speech of the Minister of Finance (Mr. Ilsley). With all essentials in that presentation I find myself in agreement. I suggest to him that in carrying out the financial policies of Canada the government must be careful to see to it that that equality of sacrifice based on ability to pay, as he described it, is fairly distributed among the different economic classes which make up our population. I know he has in mind that high purpose, but I would suggest to him that, despite all the efforts of the government there are certain results which spring, not from inflation but from the rapid expansion of the business life of the country. Naturally, labour becomes in greater demand.

I noticed a short time ago a request from the government that the practice of one industry of attempting to induce workmen to leave another industry, through the inducement of higher rates of pay, ought to be discouraged as something not in the interests of the whole. I believe the government realizes, however, that, despite the ability of the members on the price control board, it is an impossible task completely to eliminate a gradual rise in the cost of living during the great struggle in which we are engaged. It seems to me, therefore, that the government must be extremely careful to see to it that the primary producers in Canada are not unfairly dealt with as a result of the expansionist movement which must come.

One or two of the speeches of hon. members in the official opposition have suggested to me a point which I believe ought to be discussed. I am a veteran of the last war, and I do not believe any veteran of that war would disagree with me when I say that on that occasion we had a definite path to follow. We had a certain number of months' training in Canada, and at that time our object was to reach England. After we arrived in England we received a few months more training, after which we were sent to France. The purpose we had set out to accomplish was then before our eyes, and we had a path we knew we were about to follow.

It seems to me that in the present war the commissioned and non-commissioned officers and men who enlist in our army, air force or navy have a particularly high duty to perform in the service of their country. Human beings have not changed in some respects. When we are young we like to go places; when we are young we are full of energy and like to do things. It seems to me that one of the tasks we must perform in connection with this type of warfare is so to train the officers and non-commissioned officers in their leadership that there will grow up in the ranks of our services a high respect for his majesty's uniform, and a high sense of the duty which devolves upon them. They are being confronted with a severe trial of patience, one of the hardest trials to bear. Because of their inability to reach the front line and meet the enemy, they have a sense of frustration, and it seems to me that those who are their leaders must in some way inspire them to that high degree of character and patience which will help them to perform the task allotted to them in a manner of which not only will we be proud but which will reward them when they leave army life.

I like to think that hon. members, and particularly those who are veterans of the last war, have the duty of attempting to instil in the minds of the officer class with whom we come in contact the necessity for such direction. I believe the syllabus, the lectures on discipline, and a certain amount of the educational material being distributed among the men in the services should be designed with the idea of inspiring them, no matter what their ranks, with the duty that is cast upon them. They must be kept aware of the nature of their task, and of our hopes that they will discharge their duty with that high degree of credit attained by the men who served in the last war.

While listening to the debate I noticed the hon. member for Qu'Appelle (Mr. Perley) repeated what had been said at the last session by the hon. member for Vancouver South (Mr. Green), namely, that private members on this side of the house have a duty to perform in their relationship to the government, in much the same way as have private members in the opposition groups. I believe no one will disagree with that observation. I suggest, however, that that duty can be performed in many ways, and I would assure both those hon. gentlemen that members on this side of the house are performing their duty in many ways.

Sometimes I believe that the government must be confused with regard to the attitude taken by members of opposition groups. As they point out, while it is their duty to oppose, to offer constructive criticism and to make suggestions, yet of necessity there must be a reasonable degree of consistency in those presentations. I could not help noting the paradox of the oft-repeated demand upon the government that they give more and more information, and greater detail as to what is being done, and the suggestion made yesterday by the hon. member for Vancouver South that the government was spending too much time in that particular task. He suggested it should be engaged in giving attention to the education of the people in Canada, so that their efforts might be harnessed to our tremendous war effort.

Mr. GREEN: I did not say that; I think the hon. member has misunderstood what I said.

Mr. GRAHAM: I accept the correction.

Mr. GREEN: I was complaining about the type of information being released.

Mr. GRAHAM: I do know, however, that the hon. members to whom I have referred have in mind exactly the same idea as other hon. members have, namely, that the government of the day must conduct the war effort with the greatest degree of efficiency, and attempt to do all that is required. I suggest to the house that that is exactly what the government is doing—always bearing in mind the type of country in which we live, the people who live in it and the difficulties which must present themselves to any government of any political stripe which may have assumed the duty of conducting our war effort.

While it is true that as private members on this side of the house it is our duty to offer constructive criticism, I sometimes wonder whether we have not a somewhat heavier duty cast upon us than is placed upon the shoulders of members of opposition groups. Sometimes we envy the freedom with which the member in an opposition group may express himself. We on this side of the house are on a team, if I may so describe it, and we are charged with the duty of assisting the government in performing a task. On the other hand, members of the opposition may spray this side of the house with a machine-gun barrage of criticism, and they may direct their fire in any direction they see fit. Let me assure hon. members opposite that if they will conduct themselves in the traditional manner of a good opposition we, in turn, on this side of the house, will perform our duty in the manner we deem fit and proper.

There are only two domestic matters upon which I should like to touch. One has been dealt with at considerable length to-day by

the Minister of Trade and Commerce (Mr. MacKinnon). I refer, of course, to what is known as the wheat problem. In discussing this particular problem I should like to take it out of that category of problems with which western Canada only is concerned. If ever there were a national problem, in both size and the effect it has upon the country, it is surely this wheat problem. Of course, it is part and parcel of the problem of agriculture, and I want to say to hon. members from Ontario and the other eastern provinces that we from the west recognize it as such. When any problem affecting agriculture in the eastern provinces arises, they will find us ready and willing to assist them in securing measures of relief. In turn, we hope that they will help us when this huge problem confronts us.

I need not remind the house that many hon. members from western Canada were born in Ontario and the other eastern provinces. Many of us grew up in the east. We are, therefore, in a dual position and are able to appreciate, to some extent at least, the attitude of mind of the Ontario people, for example, and the attitude of mind of the people of western Canada. It is only by a joint and common effort in tackling all these problems that we can hope to find a solution.

I listened with more than usual interest to the address of the hon. member for Qu'Appelle when he dealt quite fully with this problem. It will be recalled that he suggested that last year in western Canada—I think he had Saskatchewan particularly in mind—there had occurred what he described as a racket in connection with the grading and handling of wheat by the elevator system. I know the hon. member is the owner of an elevator. He is a member of this house and obviously he has taken a great interest in this particular question. He is also the operator of a large farm. I am sure he made that statement, having fully in mind his responsibility as a member of parliament.

I agree with him that if any such condition exists, it should be remedied immediately, but I must confess that I am a little surprised that such a charge could be made against the elevators in the particular province from which I come. We have a great cooperative elevator system known as the Saskatchewan wheat pool, and I can hardly credit that that organization, which dominates the elevator situation in that province, would lend itself to what might easily be described as a racket. I sincerely hope that this will be the final conclusion that we reach after all the information has been received. I feel sure that the wheat pool, by its example and fairness in handling the farmers' wheat, will have shown that there is no opportunity in my province for the carrying on of any such racket as that described by the hon. member for Qu'Appelle.

The matter is one that seemingly could easily be checked. As I understand it, all wheat goes through the wheat board and there is a record, not only of the number of bushels but of the different grades of wheat which have passed through the country elevators. We know the amounts that were in the elevators prior to the marketing of this year's wheat, and it seems to me that it would be easy to determine whether the elevator systems had profited to any extent, great or small, at the expense of the producers.

The hon. member for Qu'Appelle seemed to have little but criticism of the policy adopted by the government last year in connection with wheat. My experience has been somewhat different. Leaving aside for the moment the initial price paid to the farmer, I would say that the quota system adopted by the government has given the farmer an opportunity to market his crop in instalments. I suggest to the hon. member that that is not an unmixed evil. A great many benefits have been derived as a result of the farmer being given that opportunity. It will be remembered that the hon. member compared the amount of wheat delivered on a certain day in 1939 with the amount delivered on the same date in 1940, and estimated that some $50,000,000 less was in circulation in 1940 as compared with 1939. But any one who has lived in Saskatchewan will know that had that $50,000,000 been paid out, it would not have reached the hands of the producing farmers. In all likelihood it would have gone into the hands of the so-called creditor class. While we may have a certain measure of sympathy for some of the creditor class, our first concern in this wheat crisis is for the farmer.

So we find that the farmer who was blessed with a crop, despite the fact that he could market only his quota, has a certain sense of security from looking at his well filled granaries. They are filled with a commodity which we all believe has an actual worth and will continue to be an actual asset to him for the coming year until deliveries are completed. Of course, all this is conditioned upon the agencies of the government being able to give an opportunity to the individual farmer actually to deliver his quota. In addition, it is based upon the assumption, as clearly indicated by the government policy, that before the end of the present crop year the farmer will be enabled to market practically all his crop.

Those of us who have lived long in the west know that there is a certain amount of value in the fact that throughout the year

the income of the farmer will be spread out, so that on no occasion will he be presented with an emergency or crisis in his family household. But I say to the government, and particularly to the Minister of Trade and Commerce, that if an individual farmer in a certain district has not been able to deliver his quota of grain, the government should take notice of that and realize that it will be impossible for such a man to get along without some method of converting into cash the only commodity he has, that is, wheat.

All things considered, I find myself viewing with considerable satisfaction the application and the working out of the quota system as applied by the government last year under its wheat policy. Like other hon. members, I realize that it would have been of greater value to the farmer had it been announced at an earlier date, but I realize also that there is considerable justification for the government not announcing its policy before it did.

We must remember also that at that time weather conditions made uncertain the type of crop yield in the west, and remember again the position of our usual markets. We all know that France unfortunately was in the midst of a break-down and that that market was disappearing. In addition, we did not know and we do not yet know the attitude of Russia. The same applies to Japan. I suggest to you, Mr. Speaker, that we never do expect the superhuman from the government, and when we remember the uncertainty as to the amount of crop we would have to deal with, and the uncertainty as to available markets, it is not, to me at least, a matter of wonderment that the government waited as long as time would permit for these important factors to become as clear as they could.

But, as the Minister of Trade and Commerce has properly pointed out, in this crop year 1941 a wholly different situation presents itself. We now know fairly well the markets available to us. It is true we do not know the amount of the 1941 crop, but we do know the extent of the nationally-owned storage space available in the crop year 1941, and so I was highly pleased to hear the minister state to the house to-day that it was the intention of the government to pursue its study of this problem and in February, when the house reconvenes, to make an announcement of its policy for 1941.

What are some of the problems? I propose briefly to outline them without at the moment suggesting a solution.

Obviously the storage problem is one which will have to be solved. We now know that we shall likely enter the next crop year with all the present storage capacity filled. If that is the situation, it seems to me that the government must do one of two things, or both. One is to adopt a policy of increasing the present storage owned by the elevator systems or by the government. That, it will be noted, would permit the continuation of the quota system, if sufficient space were available, without having to advance money on the wheat in the farmer's hands. On the other hand the government might encourage the farmer more than it did last year to build granaries or storage facilities on his own farm sufficient to handle a larger portion of his crop. It seems to me a necessary corollary of the adoption of that policy or of both policies—the extension of our national storage facilities and encouraging the farmer to increase his own storage facilities on the farm—that the government must in this crop year consider the necessity of having to finance in some way the farmer who is holding his wheat on the farm.

There are in western Canada areas in which the mixed farming type of agriculture could, of course, be greatly increased, but there are other districts, my own among them, in which that would be found impossible, not because the farmers there do not desire to do so, but because climate, type of soil and other fixed conditions make it absolutely essential for them to continue the growing of wheat as the only possible method of staying in the farming business. For many of these farmers there is no possibility of changing from wheat to a mixed type of farming unless, I suggest, the government carries out a vigorous policy of broadening and making a greater use of the Prairie Farm Rehabilitation Act.

In my particular district I had, during the recess, the pleasure of visiting the Maple Creek project, and it seemed to me that I could have done the prairie farm rehabilitation scheme and the eastern members of this house a great service if I could have taken them on that trip with me. The hon. member for Maple Creek (Mr. Evans) was kind enough to take me over that sixteen-mile project and nothing, I think, could be more astounding than to see how an otherwise barren district had been converted by the use of conservation of water into an oasis flowing, metaphorically speaking, with milk and honey. That project is a wise and worth-while idea. It will enable feed and fodder to be available to districts south and west of the project which have suffered from a visitation of grasshoppers. So if, perchance, the government intends to pursue a policy which will encourage the farmer to change his methods of farming and to go

into a more mixed type of farming, I should like to see joined with that a generous appropriation for Prairie Farm Rehabilitation Act purposes, so that those districts which could be served by the provisions of that act would be given that opportunity.

Having dealt with the question of storage, I should like to discuss the question of price, which must be considered again this year. I know that representations were made by almost all the western members with regard to the price for last year's crop. The decision of the government was announced. But it seems to me that even if the government adopt the same line of reasoning this year as last year, they may have to recognize the rising cost of living and the necessity of putting the farmer in a position of equality with that of the year 1939. That is a subject which, I am aware, will require a great deal of consideration. The quota system itself has worked out fairly well; but if it is our desire not to encourage the growing of any greater quantity of wheat than is necessary this crop year, we must remember that there is in that quota system itself a certain encouragement to increased wheat acreage, and as the United Grain Growers' Grain Company of Winnipeg has pointed out, the government might well consider, in this whole problem of voluntary reduction of wheat acreage, changing the basis from that of acreage to that of bushels. I think that point deserves consideration.

The question of storage charges which was raised by the hon. member for Qu'Appelle raises the question whether, in the light of the experience that we have had during the past year, it might not be wise to take over all of the elevator storage capacity in Canada. We all recall that last year the elevator companies were quite pleased to offer to the government the taking over of their plant, provided that the government would compensate them with a return of some 6 per cent on the capital invested. I know that this is not something which would be done in normal times, but because of the nature of the problem, and because particularly of this constant and reiterated demand that storage and other service charges be reduced, it may be the policy of wisdom for the government to take over the elevator system and the storage facilities of this country.

I have already referred to the question of crop acreage. I think it is the consensus of opinion of those who live in western Canada that the only way in which we can wisely and effectively accomplish any crop reduction would be, not by any compulsory method but by encouraging a reduction in the wheat acreage and by the improvement of farming methods. I know that in my own district this year peculiar weather conditions resulted in a fairly good crop on summer-fallow and practically none on stubble. That in itself will be an encouragement to the average farmer who is not already doing so, to summer-fallow more of his land and to discontinue the sowing of grain on stubble.

The use of the Prairie Farm Rehabilitation Act, together with encouragement to the farmers to take up some other method of marketing coarse grain and wheat, or any other product they may go into, is the only means whereby we can reasonably hope to achieve success in the endeavour to reduce crop acreage.

Then there is the relationship between Britain and Canada in the marketing of wheat. The other night I listened with a good deal of pleasure to the Minister of Agriculture (Mr. Gardiner). I have followed closely everything he has said on this subject, not only in this house but elsewhere, and I was interested to hear him recount his experience and the knowledge gained in England. One of the points that emerged from his discussion is the fact that there is a certain barrier to the purchase by Britain of more of our agricultural produce, owing to the exchange relationship between the English pound and the Canadian dollar, and I for one would heartily welcome a declaration on the part of this government that, if for no other reason than to assist the motherland in her moment of trial, we are prepared to give her free access to the markets of this country and, moreover, are ready to absorb any differential that might result from exchange, so far as commodities with which we can furnish her are concerned. This would not only emphasize the relationship that exists between the mother country and ourselves, but assist in the marketing of products other than wheat in the old land, and it would allow our farmers to go in for diversified farming, discontinuing the production to so large an extent of commodities of which at present we produce so much and which we find it difficult to market.

My purpose in bringing up this question and in outlining some of the problems that will face the government and the people of Canada is not to offer any immediate solution or any definite, planned solution. My opinion is that it would be difficult indeed, without some technical information which one would necessarily require, to determine exactly how all these problems that I have suggested could best be solved. I have, however, a good deal of commendation for the suggestion of the United Grain Growers Company Limited of

Winnipeg, that the whole question of marketing wheat be turned over during the recess to a committee for study and report. I care not what sort of committee it may be, so long as the personnel are properly equipped for the task. It might be a committee of this house.

The minister has indicated that he is himself giving this matter great attention. That is obvious. The wheat board, the advisory council and the wheat committee of the cabinet, I have no doubt, are all bending their efforts towards a solution of the problem. It is not insuperable. The statement made by the Minister of Agriculture the other night, whether it was optimistic or pessimistic, in its evaluation of the factors relating to this great commodity, shows clearly that the problem can be solved. If it is properly studied, I have no doubt that the government can find a solution for it.

The various agencies which the government itself has set up will no doubt have a great deal of information on the subject; but I rather think it would be wise, during the recess, to give an opportunity, to representatives of different groups who are vitally interested in finding a solution of the problem, to appear before a committee and submit such information as they may have. That committee could call to its assistance any or all of the agencies of government which have been busy collecting information. Perhaps the advisory council to the wheat board might be sufficiently representative to perform that task on behalf of the country. In addition to the information which it would give to those charged with the study of the problem, it would be a splendid service to the farmers, who are suffering from a sense of misunderstanding. Nothing would make me happier than if the federal government could see fit to have the subject investigated in this way, so that we in the west and the farmers in the east would feel that ample opportunity had been given for the presentation of views. It would show that the matter was being sympathetically considered. The farmers and all others concerned would gain an appreciation of the problem, and when the solution came there would be a sense of partnership in the conclusions reached, which would greatly benefit the country.

At the present time agriculture is restless because it senses it is not keeping its proper place in the economic life of Canada, that it is not being treated as are other sections of the nation's activities. Every hon. member, no matter whether he represents a rural riding or comes from a city, realizes what it would mean to this dominion if those engaged in this great basic industry were allowed to remain permanently in a state of depression.

This problem calls for the best in each of us. I am sure that there is no fundamental difference of opinion among the members of this house as to its being desirable that the government should find a proper solution.

I had intended to touch upon one other matter, the report of the Rowell-Sirois commission on dominion-provincial relations. May I say simply this, and I think it will sum up my views on the question: I wish to emphasize the position taken by the hon. member for Selkirk (Mr. Thorson) the other night, and I suggest to those representing Ontario and Quebec particularly, the two great central pillars of confederation, that they come to the conference as Canadians rather than as residents of a particular province. As we look back over Canadian history, so well outlined in the first volume of the report, is it not well for us to ask ourselves this question: What would Macdonald and Blake, what would our own beloved Laurier and, let me add, Sir Robert Borden do if they could attend such a conference? These wise leaders of the people, regardless of political affiliations, gave leadership at the time of confederation and afterwards in an effort to bring harmony into the dominion.

I will not recite, as I had intended to do, certain excerpts from the report in relation to Saskatchewan. There is a standing challenge there to have something done to meet the situation that exists to-day. We remember the words of Lincoln, that a nation cannot exist half slave and half free, and that is true to-day of Canada. The worst thing possible that could befall Ontario and Quebec—and we have a right to expect the highest leadership from those provinces—would be to leave any part of this dominion in the unfortunate position in which Saskatchewan finds itself to-day. And the finding with regard to Saskatchewan is made by a commission on which there was no representative from that province. The personnel was drawn from the two central provinces, the maritimes, Manitoba and British Columbia, and no one from Saskatchewan need be afraid of anything that might be said is suggestive of bias in favour of Saskatchewan.

Here we have the completed report of a detached and independent royal commission charged with the duty of examining that very question. So I leave that by again appealing to the private members of this house who come from the central provinces—yes, and other provinces—and to the provincial leaders of the provinces, that when

they come to that conference, while in some respects the recommendations may be questioned, while all the recommendations are not necessarily to be accepted, and while the figures in the report are to a large extent only estimates, they come firm in the purpose to find a solution of a problem for which a solution must be found.

In conclusion, I think the contribution which the Prime Minister (Mr. Mackenzie King) has made to the public life of this country is such that his cup must be filled to the brim with pride even on the record he now has, but what a happy conclusion to a life so filled with accomplishment would it be if he could do two things: one, to lead this country to victory in this terrible war and preserve for us the measure of democracy upon which we can again build our way of life, and, second, to set our own house in order through the report made by that royal commission.

Mr. NORMAN JAQUES (Wetaskiwin): This debate has been marked by sincere and honest expressions of opinion. I hope the house will credit me with a like sincerity. It has been said that Canada is fighting to preserve itself, and that its first line of defence is in Great Britain. That may be so, but the Canadian people realize that the people of England to-day are fighting for their lives and for the preservation of their homes. I cannot forget my native land; although it is forty years since I left I still have many relatives and many friends there, and I feel that they would wish me to express on their behalf their profound gratitude for the efforts and sacrifices which the Canadian people are making in their war effort.

I should like to associate myself with those who have asked that the government grant free transportation to soldiers on leave. I am sure that would be the wish of the vast majority of the Canadian people.

I should like also to say a word on behalf of a great many widows of soldiers who fought in the last war, whose lives were prematurely cut short on account of their war experiences. I am told that many thousands of these widows are destitute. Again I say that if the government would look after these widows and at least grant them the necessities of life, it would meet the wishes of the vast majority of the Canadian people.

I should now like to remind the house, in case my remarks may be misunderstood, as ours in this group often are by the press, that the basic philosophy of social credit is individual freedom, and that we detest dictatorship in any shape or form. It is said that democracy is government according to the will of the people. If that is so, and we have had a democratic government—or so it is said—why is it that in the last twenty-five years we have had two major wars and, in between, a series of depressions, unemployment, poverty and destitution? Surely those conditions have not existed as a result of the will of the people. Since they have been prevalent, I can only conclude that we have had government according to the will, not of the people but of other interested parties.

There are two political philosophies: one, centralization or totalitarianism, and the other, decentralization or democracy. Social crediters stand for decentralization, and therefore democracy.

Twenty-two years ago the world was, we were told, made safe for democracy. For a time there was a period of great prosperity. But soon after the peace was concluded we ran into a time of great depression, which continued more or less up to the start of this war. In fact it is not too much to say that the cause of this war was the depression, which had lasted more or less for fifteen years. It is easy to blame Hitler, but there was a gap of fifteen years between the end of the last war and the rise of Hitler, and had the people of Europe and of the world not been subject to the conditions to which they were subjected, I am sure that Hitler never would have been heard of.

I have said it is obvious that we must have had government according to the will of parties opposed to the interests of the people. I do not think there is any doubt that these interests were financial. As the biggest banker in the British empire said:

> Bankers control the policies of governments and hold in their hands the destinies of the people.

The world has been money mad. Only the bankers, the money lenders, have been listened to, and anybody who dared to criticize what the bankers said was either laughed at and discredited or treated to a conspiracy of silence. I remember that in September of last year, when the present Minister of Finance (Mr. Ilsley) brought down the first war budget, he said, as he said yesterday, that the real cost of war must come out of current production; and I remember saying at that time in reply that that was true, that the real costs of war were blood and sweat and tears, and that therefore any debt which was left after the war was over was not real. Yet we have been paying the debts of the last war right up to the present one, without reducing the amount in the least; in fact it is bigger now than it was. When we add the debt of this war to that of the last, I cannot imagine what conditions will be like.

I believe the bankers already have an idea of those conditions; they have said that we shall have hard times for generations. Moreover, this time is not like that of the last war. Then, the people accepted those conditions as being inevitable, but this time there are very many who do not believe that it is necessary to suffer privation as a reward for winning a war. Hence it is that we hear proposals such as federal union and "union now." The proposals are that each country shall surrender its sovereignty over finance, armaments, fiscal policy and the judicature. I should like to ask what would be left. The authority of parliament would be reduced to less than that of a provincial government, and the provincial legislatures would be reduced to the status of parish councils. Further, if we are to have no sovereignty, how can we have a sovereign? If we surrender our sovereignty we surrender our sovereign. Yet these proposals are publicized in the press; and just before I left Alberta, a Mr. Streit was given the facilities of the Canadian Broadcasting Corporation on a nation-wide hook-up to put those proposals before the Canadian people. If that is not treason, I should like to know what it can be called.

As a proof, just one proof, that governments have not the control of finance, I would refer to the description, in Viscount Snowden's "Memoirs" of an incident in 1931 where England had a financial crisis. He relates that he telephoned certain financiers in Wall street, New York, and asked them whether, if the British government were to reduce the standard of living of the unemployed and the scale of social services in general, that would be acceptable to these financiers. Think of it,—the British government going hat-in-hand to international financiers and asking them if they would agree to furnish a little money provided the government reduced the standards of living of its own people! And what was the consequence? The navy mutinied.

To my mind the object of those international financiers was to make it impossible for Great Britain and the empire adequately to finance rearmament in order to face the German threat. How else can one account for the fact that, in the face of certain aggression by Germany, the allied countries refused to prepare themselves to meet it? I heard a Minister of National Defence say in this house that the Canadian flying corps had ceased to fly. Could he say that there was no room in the air? Could he say that there was no gasoline when Alberta has so much that pipelines are needed to get it out of the country? Could he say that there were no young men willing and anxious for the job? No. There was only one reason: we had no money; and we had no money because neither this government nor the government of any other democratic country is sovereign to-day. One and all are, and have been, controlled by international finance.

As I said before, we in this corner and our followers throughout the British empire detest dictatorship in any shape or form. Certainly we were never confused as to the difference between Germany, Italy and Russia. I remember that when, on many platforms, I have lumped those three countries together, people have objected; they said, "There is all the difference in the world between Russia and Germany." Then I would say, "Well, there are three eggs on this table. Here we have a hard-boiled egg—you can call that Germany. Here is a scrambled egg—you can call that Russia. And here is a poached egg—you can call that Italy. They look a little different. Some people like them fried, some like them poached, but they are all eggs, and nothing but eggs."

Mr. DOUGLAS (Weyburn): Germany is a bad egg.

Mr. JAQUES: I was coming to that. But there is another kind of egg—a rotten egg; and that is dictatorship by finance. Last summer I asked perhaps the greatest financial authority in Canada why it was that the French left off building the Maginot line precisely where the Germans broke through in 1914. We were told that France had the finest army in Europe. We were told that its Maginot line was impregnable, and that it had the finest flying corps in Europe. But the Maginot line was not even finished. It was like a bridge which went three parts of the way across the stream.

I asked that man if he could tell me why it was that the Maginot line had not been built past that certain point, and he said to me, "Well, they had a financial crisis, and they had to economize." Will anyone say that that crisis was accidental? I say it was deliberately brought about, and the result of their economy has been the loss of France—a real economy, indeed!

I remember trying for some hours in the committee on banking and commerce to persuade its members that saving money caused a shortage of purchasing power. Of course I was reminded of the proverbial rainy day. Then, a report of a royal commission in Australia was put into the evidence to rebut the ideas I had advanced. That royal commission was appointed by the government of Australia, and its findings were that saving money did not cause a shortage of purchasing power.

We were, however, told yesterday by the Minister of Finance, and we now are told repeatedly by the orthodox professors that the very object of selling war bonds is not to raise money to finance the war, but rather to cause a shortage of purchasing power. And so the orthodox have had to eat their own words. As I have said before, the canons of sound finance are silenced in war time by the cannons of the enemy.

If I may I should like to read a short quotation from the September issue of *The Banker,* a magazine published in London, England. In part it is as follows:

> Are we to suppose that if these Spitfire funds had not been raised, the production of Spitfires would have been any the less? Clearly not. The factories would have been producing to the limit of their capacity in any case. Money to buy Spitfires has no more connection with the production of Spitfires than have the spring flowers.

And it goes on to say:

> When the savings appeals argue that "every pound that flows in from the sale of defence bonds increases the flow of molten steel from the crucibles and blast furnaces" this is a plain misstatement of fact.

That is not the statement of a member of the social credit party. It is the statement of a banker, as it appears in *The Banker* of London. If it does not correspond exactly with the statement of the president of the Canadian Bankers Association in Canada, then I would say the difference may be explained by the fact that in England no one is sure whether he will be on this earth from one day to the next. In face of that fact, perhaps the man who wrote that article thought that confession would be good for his soul.

Then, in connection with any suggestion hon. members in this corner of the house make, we hear remarks about "funny money." Mr. Jaffray, president of the Canadian Bankers' Association, was quite eloquent on that subject last week, and left the suggestion that money created by any government and not by bankers must be "funny money." So far as it is possible to deny anything, it has been denied that there is such a thing as the creation of money. Yet it is obvious that it would be impossible to finance our war effort without money creation. Otherwise, what would have been the point of saying, as has always been said in this chamber, and in any other parliament, that it would be impossible to do this or that because it was not known where the money would come from.

Of course, money to finance a war is created. Let there be no mistake about that. I am not criticizing this government in particular. I am, however, criticizing the principle it upholds, one which has been upheld by every democratic government in the world. That is the reason why democracy is in the danger in which it finds itself to-day. Everywhere and in all countries parliaments have surrendered their sovereign rights over the issue and creation of money, and have delegated that power to private corporations responsible to nobody other than themselves. Those corporations are not even national. It is an international arrangement. And so they have played one country off against another.

After the last war a policy of deflation was forced on Great Britain. Mr. Jaffray may talk about "funny money," if he wishes; but speaking in the House of Commons in England in 1922, the Right Hon. Bonar Law, some time Prime Minister of England, said this, as reported in *Hansard* for the month of May in that year:

> We borrowed 8,000 million pounds. As a result of deflation we shall be required to repay 16,000 million.

"As a result of deflation"—no wonder the bankers always warn us about the dangers of inflation. But they never mention deflation. That debt was doubled—and if Mr. Jaffray says that our ideas about money are funny, I will say to him that that money was hot, and very hot. It was stolen—deliberately and absolutely stolen.

I well remember that away out on the prairies of Alberta I had kept cattle through what was the longest winter in the history of western Canada, a winter which had lasted seven months. I thought I would be rewarded for my efforts, but when I came to sell those cattle I got only one cent a pound, as a result of that deflation. My debts were doubled and trebled; yet that is called sound money. It is the biggest racket the world has ever known. It is the cause of the terrible conditions that we have at the present time. There will never be peace, there will never be prosperity, there will never be true democracy until parliaments assume their responsibilities and control the creation and issue of money.

Mr. JOHNSTON (Bow River): That is what they were going to do, but they forgot about it.

Mr. JAQUES: Many people advocate federal union or the surrender of our sovereign powers as the only way to peace. They say that we must disarm and hand over our sovereignty to an international police force. The only way to ensure peace is to remove the causes of war. To disarm would be just the same as tying behind his back the hands

of a victim of the seven years' itch. It would not remove the cause. To say that you are going to cure national problems by making them international is the same as saying that you are going to cure the inmates of a hospital by tearing down the partitions.

The Minister of Finance had this to say:

That in real terms, that is to say in terms of the loss to the nation of the production required for war purposes, the war is paid for substantially while it is in progress.

That is true. In other words, the real costs come out of current production. Therefore, when the war is over, the real costs will have been paid. Why, then, should there be a debt at the end of the war? If the real costs have been paid, then the debt cannot be real. I cannot see any flaw in that argument. As a matter of fact, there is no need for debt at the end of war. The minister continued:

That the task of finance is not only to provide the funds which are used to pay for the war services but more fundamentally is, by taxing and borrowing, to restrict the civilian demand for economic resources in order that they will be available to the defence or supply departments when required.

That is reasonable; but if the war is financed, as it certainly is, by the costless creation of money, why should anyone expect to be rewarded for lending his money? Why should a man who has more money than he needs hold the country in his debt forever simply because he lends it to the nation? If it is not necessary, why borrow it? All the necessary money can be obtained by costless creation of credit. A London banker says that this is undoubtedly what is happening. Why should those people who do something which is quite unnecessary be rewarded by having the rest of the people in their debt for all time?

I can remember when the Minister of Finance was putting over the first war loan. He said he wanted the bonds distributed as widely and as evenly as possible. If we had taken him at his word and had done just that, what would have been the value of the bonds? Every one would have had the same number of bonds and we might just as well tear them up because every one would be paying his neighbour's interest. But as the minister went on to say, some of the people—I would say the vast majority—are too poor to buy bonds. The soldiers are too poor to buy bonds, and it is these people who are too poor to buy bonds who will be taxed to pay the interest on the bonds belonging to those who happened to have enough money to buy them. These bonds were offered as a safe and profitable investment, but it is our soldiers who make them safe and profitable. If we are beaten, these bonds will not be worth the paper they are printed upon. When our soldiers come back from war they will be taxed to pay the interest on the bonds belonging to people who have taken no risks. That is not equality of sacrifice.

May I say a word about the farmer. Just before I left home to come to Ottawa I was asked to address a meeting of the executive of the united farmers of Alberta. I told them that I had not attended the meeting to make a speech, that I had come to listen and to learn their wishes, which I would lay before parliament. I told them that we had done our best at the last session, but I did not hold out much hope. I told them that if the Alberta farmers and other farmers in western Canada were in a depressed condition, that must be agreeable to this government because it was part of their fundamental policy; if a class of people have no money to spare, that is all to the good because the government will be spared the trouble of extracting it from them. A Liberal who was present rose and said he was sorry that I had introduced politics into the discussion. I said that I had not introduced anything of the kind, that I was not criticizing the government; that I was merely stating facts.

How many of these war bonds will be held by the farmers of western Canada? Next to none. Yet when the war is over, they will be taxed to pay the interest on bonds which they never had an opportunity of acquiring. I know of what I speak. I have farmed all my life and I know these people. If they are able to exist, that is as much as they can do. They cannot buy bonds; yet after the war they will have to pay. If the war lasts for years and years, as we have been told it may, what will be the state of debt in this country? As I said before, those people who have not been able to buy bonds will have to pay interest to those who have been able to buy them.

The Prime Minister (Mr. Mackenzie King) said at the end of his speech:

Never again must we allow any man or any group of men to subjugate by fear and to crush by the power of might the spirit and the lives of honest and humble men.

There is only one way to make that possible. The government must assert its sovereign right over the creation and issue of money. So long as governments—I am not blaming this one more than any other—allow money lenders, because that is all that bankers are, good servants but impossible masters, the worst kind that you could get, to dictate the policy of governments, how is democracy pos-

sible? We believe that a strong, free and prosperous British empire is the best guarantee for the peace and sanity of the world; and instead of surrendering the sovereignty of the empire or of any part of it to any international force, which of course would be international finance, those sovereign powers should be strengthened by restoring to the crown in trust for the people absolute control of the issue of currency and credit.

On motion of Mr. Stirling the debate was adjourned.

On motion of Mr. Mackenzie King the house adjourned at 5.55 p.m.

Monday, November 25, 1940.

The house met at three o'clock.

ALBERTA PROVINCIAL BANK

PROPOSED REFERENCE TO STANDING ORDERS COMMITTEE OF QUESTION OF PROCEDURE

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I move:

That the standing committee on standing orders be instructed to inquire and report on the advisability of accepting as sufficient for this session the proceedings taken last session in respect of the presentation of a petition, the filing of a bill, and the publication of notice relative to the proposed incorporation of the Alberta Provincial Bank.

Right Hon. W. L. MACKENZIE KING (Prime Minister): This motion is the one I referred to the other day when my hon. friend first presented it. I then mentioned that the committees had not at that time been constituted. They have since been constituted. I said then that I saw no objection to the motion carrying once the committees were constituted. I repeat that now.

Motion agreed to.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, November 22, consideration of the motion of Mr. Brooke Claxton for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Hanson (York-Sunbury) and the amendment to the amendment of Mr. Blackmore.

Hon. GROTE STIRLING (Yale): Mr. Speaker, the 1940 session was prorogued and the 1941 session opened two days later because of a demand by public opinion for information. The demand was somewhat insistent, particularly from that portion of public opinion which has been looking on with admiration at the effort which Britain has been putting forward, on our behalf as well as her own, and there was some apprehension—that portion of public opinion which is aware that the first division of the Canadian corps received its equipment for its training in Great Britain; which has some doubt in its mind yet, whether the second division has yet received all its equipment in Great Britain for its training, and knows that the third division and the fourth division in this country have not yet been fully equipped; that portion of public opinion which has heard of the shortage which exists in equipment for the reserve units of the Canadian army, shortage of motor cycles for motor cycle units, tanks for tank units, anti-tank guns, anti-aircraft guns, instruments for the signallers, the requirements of training for all those specialized units which to-day form a part of a modern corps, without which equipment they cannot train; and without training they are not only useless but a positive menace to those corps to which they are attached.

The house has now had read to it rather voluminous statements by the various ministers whom we know as the war ministers, with an historical preface by the Prime Minister (Mr. Mackenzie King). It has received a mass of information; it has been led through the ramifications of the boards and committees which are directing this work, and the process of digestion is going on.

Certain things, however, emerge. The plans outlined of course have not yet reached their full measure of production.

But the battle is now. Oh, the pity of it, that the government did not realize the intensity of the need months ago! The low countries had to be invaded before it was realized that Canada's utmost effort would not be too great. Had that been realized, as I maintain it should have been realized, the Minister of Munitions and Supply (Mr. Howe) would not have had to tell us the other day that the peak of production was yet eight months distant.

Hon. members may be inclined to say that this is being wise after the event, but is it? So far as the general public is concerned, probably it is. So far as the ordinary member of this house is concerned, probably it is. But I maintain that so far as the government

is concerned, it is not. The government is the director of this effort. The government has been looking on at Great Britain directing the effort, the magnificent effort, of the people of the United Kingdom. Cables have been passing all the time; and you cannot make me believe that the government of the United Kingdom failed to keep this government aware in minute detail of what they foresaw, of the information with regard to the enemy that they had received, of what they were doing and were proposing to do, and as to those measures of cooperation in which the partners in this effort must share. It is not the custom of a government to impart the contents of secret cables. It would be hardly proper for them to do so; but these cables are passing all the time, and it is on the contents of these secret cables that governmental policy is laid.

Last session the Prime Minister, replying to me with regard to a certain matter, said that Canada had not refused any request made by Great Britain. Of course she had not. But Great Britain does not make requests of the dominions until the ground has been thoroughly sounded and it has been made pretty certain that the request, if made, will be granted. But the cables are passing week in and week out, day in and day out. Envoys are discussing; ministers are visiting; communications are being exchanged, yet eight months had to elapse before this government really got into its stride and started Canada pushing. The inevitable result was perfectly evident, that if Britain could not hold its defence Canada was doomed. The measure of Canada's effort last winter was the measure of the government's policy at that time. Now we are told that Canada is making everything. If Canada under direction to-day can make everything, Mr. Speaker, under similar direction she could have made everything last winter, or begun to do so. Canadian industry has not been backward. Canadian industry has been only too anxious to get really busy. Aeroplane manufacturers were clamorous for work. The Department of National Defence had combed Canadian industry to such an extent that they had a card index containing a couple of thousand names of firms listing what they were capable of doing and perhaps what they were anxious to begin doing. Canadian labour is not backward. We have the word of their spokesmen, and we have the evidence of our eyes. We need only look at what labour has accomplished in the erection of the buildings for the commonwealth air training plan, and on top of that the provision of the establishments required for the training of the Royal Air Force.

No, Canadian labour has not been backward, but only recently has the tempo of Canadian effort been quickened. The only thing that is changed is the government's policy on which that tempo was based and the realization, I say once more, that Canada's utmost effort will not be too great.

I am not going to attempt to deal in detail with the statements which have been made by the ministers; the process of digestion is still going on. They paint broad pictures; they withhold certain figures. With that I do not make complaint. The ministers must have the decision as to what is wise to give out in the way of figures, and what is not. But there can be only one reason for official reticence, and that is the danger that information may reach the enemy. Official reticence must not be used for any other purpose. Sometimes it appears to me that official reticence is being carried rather far. Let me give an example.

During the last session of this house we were most anxious to obtain a progress report on Bren gun production. We could not get it. The minister dealt in generalities; he told us the situation was satisfactory and that production was ahead of schedule. Again in the statement he made in this house ten days ago he used the same soothing language, and again we were not given the figures. Then three days later he handed them to the Canadian Press. I look upon that, Mr. Speaker, as somewhat of an affront to this house. The minister, giving what appeared to be a full description of Canada's effort in this matter, in which he knew the public was interested, did not give the figures on that occasion, but he handed them to the press three days later. There is no doubt whatever in my mind that a certain number of people, I do not know how many, have known those figures for some time past. Indeed last session I was told that certain members of this house had been informed as to those figures. I was not. But if there are enemy agents in our midst, as I have little doubt there are, it is pretty evident that Herr Hitler knew the figures of our Bren gun production before we members of the house knew them, and I do not think that is a satisfactory way to keep the ordinary member of this house informed when, individually and through the various parties, he has informed the government not once but many times that his desire to get on with and help in this effort was as great as that of the government. Why give the public the opportunity to wonder? Is it not better to give out information such as that, which surely cannot do any harm and which tends to keep up the interest of those who are endeavouring to examine such matters?

About a month ago I had the opportunity to take a parade at Vernon, British Columbia, through the courtesy of the officer commanding the camp there, on the fourteenth day of that period of training. I was greatly impressed with what I saw. I was greatly impressed with the fact that some 1,200 young men, as fine a bunch of youngsters as you could possibly wish to see, were before me revealing what they had learned in the short period of approximately eighty hours of training. It is due to the excellence of the work done by Colonel Sutton, D.S.O., and the officers and non-commissioned officers associated with him that that high degree of training in such a short time has been attained. They were a remarkable set of men, those teachers. They had been connected with many famous units—the Royal Marines, the Indian Army, the British Army and the Canadian Army; and so well had they made contact with those recruits, and so well had they imparted knowledge to them, that the atmosphere was good, the bearing of the men was good, and the way they had learned the rudiments of drill and of marching was excellent. I formed a very high opinion of that effort.

I am not going to enter into a discussion as to whether the thirty-day training plan is a good one, or could be bettered. Certainly I do not consider that any sensible man could possibly imagine that soldiers could be trained in thirty days. But there are one or two factors to which I am persuaded considerable weight must have been given, when the thirty-day training period was decided upon. One of those factors is the desirability of drawing together at thirty or forty places across the country young men of a certain age and from every province in Canada so that they may be looked at, so that they may rub shoulders one with the other, so that they may receive the rudiments of training and discipline and thereby place themselves in a somewhat better position to receive that training which would be necessary if the day should come when far larger numbers of land troops are required.

The second thought which occurs to me in connection with the making of that decision is that because the equipment for the reserve units of the Canadian Army was known to be short, it was impossible to believe that there would be equipment available for the new recruits which would make it possible for them to receive the advanced stages of training at the present time.

What further results have there been from the national registration? The idea of a national registration was put before the house by hon. members from this side of the house. It was suggested on more than one occasion before the government adopted it as a desirable procedure. Certainly it was not put forward with the idea of its being only a channel for military training. The purpose of the registration, this numbering of the people, was that of giving a great deal of information. It was to enable the segregation of potential labour, male and female, young and old, trained and untrained. It was to afford opportunities for the provision of training schemes for those who were not trained. We have not heard of any result arising from national registration other than that which has already arisen in connection with the training camps. I am sure the people of Canada would like to know what if any progress has been made in other directions.

When Great Britain was arming and Canada was not, a great many of our trained mechanics, both young and middle-aged, were sliding off to Great Britain to work which attracted them. Have we done anything deliberately to make up that shortage? I ask the question, because the correction of that shortage is seriously required to-day, and the need will increase as the months go by.

Not long ago a suggestion was made to me that a scheme which would make use of the machine shops and larger garages to be found in every city or town of Canada might well be developed. It was pointed out that, in those machine shops and garages, training could be given to those youngsters, of which there are so many, who have a mechanical bent. It was pointed out, further, that as training developed it might be possible in those shops to undertake sub-contract work, as parts of a greater whole. The man who made the suggestion to me was one well trained in mechanics, one who had served as a combatant in the Canadian Army but whose age and condition of life precluded his serving again. He is only one of that large number of men who have the necessary knowledge, premises at their disposal and the intense desire to use their talents, who could be used in Canada's war effort. If this suggestion has not yet received consideration, I put it to the government as one which in my opinion merits their attention.

We are told that Hitler's smaller submarines are being made bit by bit in just such shops scattered throughout Germany. After the work has been done in those shops the parts are assembled near water, and when the assembling has taken place they are sent out to do their deadly work. If Hitler's shops can be utilized in his war effort, then Canadian shops can most certainly be used by Canadian youths for our effort.

The voluntary service registration bureau was set up by the government to operate as a

clearing house to which the thousands of applicants, desiring to take some part in our war effort, might send their names. I do not know what happened to them. I do not know how many thousands so applied. I do not know whether the government, when requiring labour of a certain kind, approached the bureau and succeeded in obtaining the necessary supply of help. I do not know whether the civil service commission made use of the bureau when vacancies occurred in the service. I believe however that the public of Canada would like to have a report on the efficacy of the registration bureau, because many persons I have met look upon it as merely a cemetery of hopes.

I should like, too, to draw the government's attention to the voluntary work which has been going on under the direction of the British Columbia Women's Service Club. I believe it was last June that Mrs. Kennedy, the controller, and Mrs. McGusty, the commandant of the Vernon Branch, came to Ottawa. After obtaining the support of hon. members from British Columbia they interviewed the late Hon. Norman Rogers who listened to the objects of their work and their desires, and appeared to be most interested in what they were endeavouring to do. I am not aware that any kind words worthy of note have been spoken to them. I am not aware that any of the services which they have been so assiduously training themselves to perform have been in any sense made use of. But it is quite evident that from week to week we approach more closely the time when industry and other activities will have to avail themselves of women's labour. I should think it would be most desirable that the government reconsider the recognition of units such as the one to which I have just referred, because at the back of each of these organizations is the intense desire to help.

In the neighbourhood of Princeton, an important mining section of British Columbia, the population of which is drawn from many countries of Europe, some of which are now under the nazi boot heel, a Spitfire fund was set up. Contributions both large and small have been flowing into it. No sooner had they commenced to collect than a discouraging reference to Spitfire funds appeared in the press. Is the government wise to discourage efforts of that sort? It is this sort of effort which provides a safety valve for the enthusiasm of certain Canadians. I am not in the least surprised to hear that the minister would much rather have the money go into the war loan.

Mr. ILSLEY: I did not say that, nor have I discouraged these funds.

Mr. STIRLING: The minister says that he has not discouraged them, but my information is that the discouragement came from somewhere. I remember reading a paragraph or two in the press—I have not the article before me so I shall not elaborate—which gave me the impression that the government was inclined to discourage the collection of Spitfire funds. If the minister says that he has not, then I am mistaken and the people of Princeton have been mistaken. When they started collecting for this fund from that rather scattered and cosmopolitan population they were met with the announcement that the government was discouraging such funds. If the government have not been discouraging these funds, or even if they have, would they be good enough to explain their views further to the Canadian people?

I come now to the response by the public to the second war loan. Shortly after the loan campaign opened I received a letter from a man of standing in his community who told me that he and a number of his acquaintances had been deterred from investing in the war loan because of the waste and political partisanship in connection with the building of the camp at Vernon. I passed that letter on to the Minister of Finance (Mr. Ilsley), who, in thanking me, said that he was going to take it up with the Minister of National Defence (Mr. Ralston), and that he would also speak to him about it. Some three weeks later I received another letter from another man written in the same strain. I know this gentleman quite well and I have considerable confidence in his judgment. I replied immediately asking that he give me some details, whereupon I would lay them before the proper minister. He furnished me with the details and I am passing them on to the minister who is carrying on the work of the Minister of National Defence in his absence, in the hope that the matter will be run to earth.

I know how easy it is to make charges of this description, and I know how hard it is to obtain the facts to substantiate them. People do not want to talk; people are afraid of losing their jobs. But it would appear that these things are prevalent. I regret to say that my own experience has been that they are quite prevalent. It is the duty of the government, by investigation or by any other means in their power, not only to set such charges at rest but to disprove them. The government, from the Prime Minister down, have assured this house that it is not their personal desire that partisanship should enter into this effort. I must accept their statements, and of course I do. But theirs is the brain that is directing this effort. To what extent has that brain taken active

control of the hands and fingers that direct and control the details? That is the question. It is very easy for a minister to say, "I will not have anything to do with partisanship," but as soon as he has said that he attaches to himself the second duty of seeing that those who are responsible to him are honourably carrying out that undertaking.

As I have indicated already, the national registration was instituted, not only for the purposes of military training but to provide one of the instruments with which the National Resources Mobilization Act could be put into operation. That act gave the government very wide powers, and they have been using them. One of the things the government have done has been to set up an exchange control board. When a Canadian desires to go to the United States he must satisfy the exchange control board that his visit is reasonably necessary before he can obtain the exchange with which to carry out his trip. As I pointed out last session, there has been a steady stream of Canadian money going to the United States to pay for fruits, vegetables and many other things which, in my opinion, not only are not necessary at this time but constitute a positive waste of money which we need so badly for the purchase of things that are really required. Our exchange situation is becoming no easier. I read with great interest in the paper this morning a statement to the effect that the Minister of Finance had decided to publish a list of fruits and vegetables and was going to request licensed importers to refrain from importing them until further notice.

Mr. ILSLEY: Is my hon. friend referring to a news item which appeared in the *Gazette?*

Mr. STIRLING: Yes.

Mr. ILSLEY: On a question of privilege, and for the purpose of setting my hon. friend right, I should like to say that that news story is entirely incorrect if it is taken as meaning that I authorized the circularizing of the wholesalers by the wholesalers' association. The news story itself does not say that, but I am afraid it may have led other persons to the same conclusion as that reached by the hon. gentleman. The representatives of the wholesalers came to see me some days ago, but there was no suggestion, either on my part or on theirs, that there should be any request made by their organization or otherwise to wholesalers in Canada not to import certain fruits and vegetables. I was considerably surprised to see the notice in the press to which the hon. gentleman has just referred. At this interview the wholesalers suggested that if steps were in contemplation by the government for the restriction of the importation of fruits and vegetables, care should be taken to avoid undue hardship. They suggested also that they should be consulted before any steps were taken. I suggested that they should put their views in writing, which they have not done as yet. Apart from that there were no suggestions or requests or arrangement made at that interview.

Mr. STIRLING: I am grateful to the minister for his explanation, and with that I shall have no further remarks to make with regard to this news item which I read in the manner he indicated. Evidently it does not correctly explain the situation at the present time. But I can continue with this thought. We have only a certain amount of money to use for necessities and it is utterly wrong for us to use it for things which can be dispensed with. In one week of June of last year $50,000 worth of tomatoes entered the Montreal market and $40,000 worth the Toronto market. I do not say that importations to that extent are still going on. But what I say is that if the Canadian consumer is using his money in that way—the Canadian consumer may be the thoughtless consumer—he should have impressed upon him the necessity that there is one better way of using that money, and that is to exercise the spirit of self-sacrifice so that we can attain an equality of sacrifice. That is the only way in which every Canadian dollar can be put to proper use.

And how the situation has been aggravated by an incident that occurred a few weeks ago in the west! Trade in the United States found itself short of certain varieties of apples of certain sizes. Finding that Canada could supply them it ordered them, and two or three hundred carloads of these apples were shipped from British Columbia to the United States at their request. Such a shout went up amongst United States producers that the reverberations reached Washington, and I am given to understand that further shipments have been somewhat discouraged. Now, what does this mean? For years United States produce has been streaming into this country, in earlier days without let or hindrance but with some preventive methods in later days, and when such a condition as I have described arises, with trade in the United States requiring something that Canada has, and asking for it, this roar goes up. Such a noise was made about it that an official of the Department of Agriculture in Washington, D.C., went out to the west, and this is what he is reported to have said, as quoted from the Wenatchee *World* of November 1:

As British Columbia growers possess popular sizes, American buyers have taken them. All supplies have been sold firm, and there has been no speculation and no consignment shipments. None have been dumped on our market.

In that transaction hon. members will realize that instead of Canadians wasting their money in buying something they did not need they have just been endeavouring, by this little piece of trade, to build up Canadian exchange so that money would be available for our war effort.

It is a most unsatisfactory thing that our money should not be put to its proper use, and if that treatment to which I have already referred is not the treatment which the government has decided to make use of I suggest to the government that the time has come when, if the Canadian people are not using in the best possible way one of Canada's resources, the money Canadians have to spend, the government should make use of other legitimate devices to impress upon the Canadian people that there is only one way to use their spending money, and that is the best way. I do not know why the government has been so long in taking action with regard to this matter, drawn to its attention as it has been for six months. I cannot imagine that it fears the Canada-United States agreement because in that agreement the two signatories put their names to a war clause which would enable action to be taken by either country in case either or both were involved in war.

But the fruit and vegetable end of this great question is but one portion of it, and I am hopeful that the government will tackle the question from the point of view of impressing on the Canadian people that anything in the nature of luxuries which can be done without must be done without at this time in a spirit of equality of sacrifice. I believe that there is still in this country far too large a number of people who do not realize the necessity for self-sacrifice. We must have drummed into our ears at all times equality of sacrifice so that a public opinion may be created which will frown on anything which is opposed to it, and that equality of sacrifice must not be alone among the people in this Canada of ours but must extend outside into the ranks of all who fight with us the battle of Britain.

Canada as long as she has been Canada has relied on the Royal Navy for her protection, and the Canadian people, many of them, have hung their heads because of it. True, in later years we provided ourselves with a most efficient little navy in no sense commensurate with our wealth, or with our trade, or with our necessities for protection. There was no equality of sacrifice there because it was the taxpayer of the United Kingdom who maintained the Royal Navy. We did not contribute but we greatly benefited by the existence of that formidable police force.

I was pleased indeed to listen to the Minister of National Defence for Naval Affairs the other day when he recognized that disparity and spoke with hope of a considerable expansion of our Royal Canadian Navy. But let the government leave no stone unturned in impressing on the Canadian people the necessity of sacrifice, that the results of the national registration be used to the full, and above all let the very words National Resources Mobilization Act become an actuality. Let the services of the thousands of men and women who want to help be utilized. Let every effort be made to speed up and increase the tempo of Canada's war effort so that another occasion may not arise when Canadian heads have to hang because when the battle of liberty was on, the contribution which Canada made was too late.

> Liberty is not a word,
> But is a substantial thing,
> A precious jewel, purchased
> At the dear rate of life itself,
> And so to be defended.

Those words were written three hundred years ago by two English dramatists, and they bear the stamp of eternal truth.

Mr. RALPH MAYBANK (Winnipeg South Centre): Mr. Speaker, it is not my intention to follow in general or in any detail the remarks of the gentleman who has just taken his seat (Mr. Stirling). I should like however to say this, that no person could cavil or complain in any way of the speech which the hon. gentleman has just made. I feel that I am in a privileged position to be able immediately to congratulate him upon a temperate, kindly and thoroughly gentlemanly speech such as, of course, one would expect and has a right to expect from the front benches of the opposition party.

There is perhaps a particular reason for not taking up in detail the remarks of the hon. gentleman. The reason is that his remarks were by no means a severe criticism of the government. Indeed it seems to me that the fact that so prominent a member of the Conservative party spoke in the manner in which he did just now, indicates that this government has been doing a mighty fine job of work in leading this country in its war effort. Such criticisms as the hon. gentleman offered were on comparatively minor points, and there cannot be much wrong when one of his calibre can find practically nothing to criticize. The government, in other words, is somewhat in the position of the chap who gave the name of the chief of police as a character reference. The chief of police when asked about the man, said that he did not even know him. Referring to the chief's

comment, the man retorted, "Having lived thirty years in the city, and the chief of police not even knowing me, I must be all right."

There is, however, one remark made by the hon. gentleman to which I should like to draw attention. He said, as I recall it, that the Minister of National Defence (Mr. Ralston) made certain statements in the house with reference to Bren gun production, and that these statements were of a very general nature; but that a few days later, speaking to the press, he elaborated upon them and gave to the press information which he held back from this house. With all respect, Mr. Speaker, I think the hon. gentleman is in error. If you will turn to page 149 of *Hansard* you will note what the minister said at that time with reference to Bren guns. I think the hon. gentleman will find upon inquiry that what was later reported in the newspapers was merely a different rendering of the same information which the minister gave the house, and that the minister did not withhold information from us and then, going outside and meeting the gentlemen of the press, give them more details. What was said on page 149 runs this way:

> Regarding Bren guns; I have given my hon. friend the number up to the end of September. I am not giving the number delivered each week, but it is a figure which I must say is most satisfactory having regard to what was planned on when production started at the plant. These weekly deliveries are increasing steadily and by the end of the first year of production we expect to have three times as many guns delivered as were called for by the contract.

From there on, you see, it is a matter of arithmetic. The note I have indicates that the contract called for about 1,000 from April first this year to March 31 of the next year. It will be seen, therefore, that the minister, in giving his statement to the house in the fashion that he did, simply left it to the press to apply arithmetic to the problem and then the reporters could give a very definite statement to the country. It may well appear that the minister was more definite with the press than he was with the house, but that, I think was not the case, and I suggest that the hon. member was mistaken in his criticism in this regard.

So far as the general effort of this government is concerned, I have read somewhere that it might be described as a series of brilliant improvisations, and that incredible results have been achieved. I do not know whether that is an accurate statement, having regard to the use of the word "improvisations"; perhaps it is not properly used. We were not prepared at the time of the break through in the low countries and the collapse of France, and I do not see very well how any country, in all the circumstances of democratic life, could have been prepared. The speeding of plans was necessary, and in that sense we can, I think, appropriately say that there has been a series of brilliant improvisations. So far as I am concerned, and chiefly because I am not a person who is very easily satisfied, I wish to offer my meed of praise for the work of the government in leading this country, particularly during this last six or seven months since the debacle to which I have just referred. I do not intend simply to chant a paean of praise, yet since I am not, as I have said, a person easily satisfied, I do not wish to let the opportunity pass of expressing praise of the government, because I believe it is justified. I do this in the same straightforward manner that, as this house knows very well, I would quickly express criticism if I thought that it was what the government, or any other organization, deserved.

To-day I wish to speak mainly about problems and points of interest concerned with labour matters in the country generally, but before doing so there are some non-labour matters which I should like to mention.

In the first place I desire to add my voice to the voices of others who have spoken in favour of free transportation for the troops at Christmas time. It does not seem to me that half fare or fare one way for the man on furlough is sufficient. When something is offered which does not accomplish the result aimed at, it is just the same as offering nothing at all. Men who are distant from their homes cannot, because of lack of funds, go home and back during the Christmas furlough. There is no use offering them half fares. I suppose they could go home and then be brought back as deserters, but none of them wants to do that. It seems to me that there has been already enough expression of opinion along this line; practically ninety per cent of the house must be in favour of free transportation for soldiers, and I urge the government to see that justice is done and joy is given at Christmas time.

There is one other non-labour matter which I wish to draw to the attention of the house and, more particularly, to the Minister of National Defence for Naval Services (Mr. Macdonald). The minister was here a few minutes ago, but had to leave to attend to some departmental duties; I know that what I am saying will have his attention later. It is, it seems to me, an odd situation of which I wish to speak. It appears that the rules with reference to a wife's allowance are quite different in the navy from what they are either in the air force or in the army. When a man in either of the last two

mentioned services gets married, automatically his wife receives $35 per month allowance. Not so, apparently, in the navy. It seems there is a rule that the allowance will not be paid to any officer or rating married on or after November 1, 1928, unless and until he has attained the age of twenty-two years. An informant writes me:

> Is it not an irony to ask the boys of Canada to fight for freedom and justice when we refuse them that at home? What difference does the age make? If a man of nineteen is old enough to fight for Canada, should his wife be left to starve while he is doing it?

I must say I heartily agree with my correspondent's point of view. My informant also tells me of a man under twenty-two years of age who received permission of his superior officer to marry; he believed that the allowance would go to his wife, but her allowance has not been paid and will not be paid.

The rule, as I have explained, is that if a man gets married when he is under twenty-two years of age the wife gets no allowance. The rule was passed in 1928, and it occurs to me that perhaps the navy is endeavouring to carry on the old tradition that a sailor boy should have a girl in every port. That might be interfered with if Jack were encouraged to marry. I do not know whether that is the reason for the rule but I can think of no other. The rule that the wife of a young man under twenty-two who marries with permission is to get no allowance ought to be changed at once. The wives of men in one force should get the same treatment as wives of men in the other forces. If it is not desired to have naval officers and ratings marry under twenty-two that could be the subject of a regulation, but if they are to be permitted to marry then this government should take the responsibility that it ordinarily takes for the wife of the enlisted man.

I now wish to touch upon some labour problems that have come to my attention. Frankly I am presenting one or two cases that are in the nature of grievances. I make no apology for doing so; nor do I present the grievances in any spirit of captious criticism or complaint. But if the friends of a government will not tell it of the things that are wrong there is little chance of the government correcting them, and abuses will continue, to the detriment finally of the whole country.

Some of the instances I desire to mention relate to the government as an employer. I recall the oft-used expression that the government should be a model employer and so be an example to other employers. We like consistency. We passed an act popularly known as the Lemieux act and put into effect a labour charter which is set forth in an order in council of last June. The principles of this type of labour legislation should be the guiding star of the government itself as an employer. But we have people working in the government service at salaries that are certainly less than fair. We have some, indeed, working for niggardly salaries and starvation wages. I do not say that the percentage is large, but in government employment, where the total number employed is so great, a large number are working for what is not by any means a fair wage. One man I know of, a married man with a family of three or four, has been regularly employed at a man's job—not a boy's job—for the last four or five years, and his net wage is $56 a month. His is not just an isolated case but is one of a class, and that is the wage that is being paid. This sort of thing is not fair. When we are at war there is all the more reason for seeing that injustices of this kind are not allowed to continue.

Again we have persons employed by the government on what is termed the seven-day week basis rather than the six-day week. For years we have seen nearly all the world on a six-day week basis, but we have, and have had for years, at Fort Osborne barracks, firemen and other men working in high-pressure plants on a seven-day week basis and getting less money for seven days than the ordinary wage paid elsewhere for six days. I tried to get the matter straightened out some time ago. I had at that time the support of the late Hon. Mr. Rogers, who as Minister of Labour realized it to be a concern of his. I had the support, I believe, of the then Minister of National Defence, the present Minister of Pensions and National Health (Mr. Mackenzie). Everything seemed to be going along all right until our attempts bogged down or were broken down in the treasury board. Now it seems to me that that sort of thing is, as Mr. Rogers recognized, a proper matter of concern for the Department of Labour. It seems to me to be the business of the Department of Labour to inquire into labour abuses; and they should look at labour conditions that are close at home as well as those far afield.

We still have our unemployment problem. I have spoken about the war effort of Canada, and I had in mind the Department of Munitions and Supply; I might just say a word with reference to that department. I have been in entire agreement with the policy followed so far by the Minister of Munitions. I realize that in the placing of contracts he had to consider practically just one thing—speed of performance. The need was urgent;

the pressing need was to get deliveries, even though it resulted in centralization of industrial work in these central provinces, chiefly Ontario. Even though the policy resulted in very little war work going out to the prairies and other parts of Canada I am in entire agreement with what has been done, and I think that the minister of that department and all concerned with it are to be congratulated. But the situation has now reached the point where certain other principles can be taken into consideration.

The social aspect of these contract placements should be recognized. In my own district we have all manner of industries that could be put to use in war work. Some of them are being used, but they could be used a great deal more. It is not economic to be paying out money for unemployment relief and at the same time placing contracts without reference to the social needs of the country. This is the time to attack what has been called the "hard core" of unemployment. Nobody knows just what the hard core of unemployment is; someone coined that bright phrase, it seemed clever and many people took it up and used it as though they were saying something. Then people began to define the hard core of unemployment, and it turned out that whenever unemployment had been reduced to a point that the particular individual considered satisfactory, the hard core of unemployment had been reached and there was nothing further to be done. But we can dissolve the hard core of unemployment if we turn our attention to it, if we face up to the problem and devote to it the necessary time and money and energy, and, above all, imagination. There is no reason for any unemployment in this country to-day. I know there are many persons on relief whom it is difficult to absorb into industry, but something can be done for all. I have known workmen's compensation boards to spend money upon people who appeared to be totally incapacitated through injuries, and who were therefore unemployed. This, these boards did for financial reasons, to avoid further drain on their funds. They endeavoured to rehabilitate these apparent unemployables and restore to them their ability to earn a living. And most important of all, though perhaps this was incidental as far as the boards were concerned, they restored to these people the dignity which is possible only in conjunction with an earned living, which cannot exist when there is involuntary idleness coupled with a subsistence allowance.

I wish to speak now of another very critical labour problem of a different sort. The hon. member who preceded me touched upon this problem but did not enlarge upon it to any great extent. From what little he said, however, I am inclined to think that we are in entire agreement on the matter. I am definitely worried, Mr. Speaker, over the possibility of a labour crisis in this country in spite of the fact that we have an unemployment problem at this moment. Indeed it would be possible to have a labour crisis, by way of a shortage, and at the same time have an unemployment problem. It seems paradoxical, but theoretically it is possible. At any rate I do not think any person can observe what is going on in the midlands of England without becoming fearful in regard to the labour situation in Canada. Just after the bombing of Coventry, for example, I noticed in the New York *Times* that certain United States industries were expecting special calls to be made upon them in reference to either Rolls-Royce engines, which apparently they were manufacturing, or perhaps similar aeroplane engines which might be substituted for the Rolls-Royce engines. The inference is clear. Evidently that engine plant in Coventry had been damaged.

For the last year or so the Winnipeg *Free Press* has had an excellent reporter in England. This reporter, Mr. Francis Stevens, recently returned to Canada. Within the last few days I read one of his stories, from which I culled this paragraph:

> After what happened to Coventry and the horror heaped upon a midlands city last night by the nazi air force, we know without being told that Britain must turn to Canada as never before for sustaining strength in her lonely struggle to save civilization.

Of course what Mr. Stevens means is that in all probability Britain will have to turn to Canada to a greater extent than ever before for her supplies of munitions of war. In the past we have sometimes spoken of ourselves as the empire's bread basket. I fancy we are becoming, and shortly will become even more fully, the arsenal of the empire. I know, as I think we all know, that Great Britain has been facing difficulties in regard to labour shortages, and it is inevitable that we shall have the same difficulties unless we make the necessary preparations.

For example, if we inquire into the employment trend in this country it becomes clear that there must be a labour crisis. When we see the employment trend we are forced to realize that we are marching straight into the jaws of such a crisis. In the *Financial Post* of three or four weeks ago the development was shown. It was set forth that as of last September there were 2,717,000 persons gainfully employed in Canada. That was the peak employment up to that time. The figure for the previous September was about 26 per cent

less. The monthly average for 1939 was 2,344,000, very much less; and for the previous year the monthly average was 2,297,000. If you were to indicate that labour trend by means of a graph you would draw a line not merely upward but sharply upward, with no variations, no dips or jumps or anything of the sort; it would be very nearly a straight upward line.

I know that recently the Minister of Agriculture (Mr. Gardiner) spoke as though there were no difficulties, though a short time previously it had been indicated in the house that the government was taking steps in regard to the matter. Some persons jumped to the conclusion that there was a difference of opinion. Some people feel that this is a time for sharp retorts to the Minister of Agriculture, in the hope of being able to register a blow in verbal combat. Well, there is no need for anything of that sort. It is very silly to behave in that fashion. The fact of the matter is that we can be facing this crisis and at the same time have difficulties presented by employers of labour such as the minister mentioned. Everyone knows the tendency of the employer to object to any interference with his personnel, and no doubt many employers cry before they are hurt and make all kinds of trouble. I do not mean to say that is the general rule, but there are persons like that in every walk of life. There is no need to get over-argumentative about a thing of this sort.

A few moments ago I mentioned certain figures suggesting the trend. If you look at the enlistment figures you come to the same conclusion. We might say that just before the war our forces numbered perhaps 4,500. I have not the exact figures showing the number of men in our forces at the end of the first year of war, as I was able to give them in dealing with the number of persons gainfully employed, but I take it that at the present time there are about 170,000 men in the army, 30,000 in the air force—these figures may not be exact, but I think they are approximate, and after all I am only indicating a trend—and a few days ago it was said that in the navy there were something like 15,000 men. To these figures must be added about 30,000 trainees. This last is a changing personnel, but that is about the number. This gives a total of about 245,000 persons who have been taken out of the possible employment pool. So you might say that since the war started, in the neighbourhood of half a million people either have been put to work or have been taken away from the pool of men from which workers come. Of course if that sort of thing goes on and we do nothing about it we shall have to refrain from setting up industries that otherwise we might desire to set up.

It is not only the matter of a general labour shortage that we must consider; it is the shortage of particular kinds of labour. Perhaps we have not been as wise as we might have been since September, 1939. We should have paid more attention to what General McNaughton said the day after war broke out. He declared then that the war would be one of machines, and that it was vitally important not to deprive industry of certain skilled types of man-power on whom the rapid expansion of production depended. He wanted to set up a list of essential industries, and also a list of reserve occupations. Anyone can understand not a great deal being done in this respect during the hectic days we have gone through, but it would be folly of the worst imaginable kind if we were to continue in error.

As the house probably knows, Great Britain has been having considerable trouble of this sort. The Right Hon. Ernest Bevin some time ago warned employers against living in a fool's paradise. He said he was reluctant to make training obligatory, but that it might be necessary. Under his direction, as long ago as last February, organizations were set up for the training of men. There were 15,000 being trained at that time. The *Economist* reported that a longer time was needed to train a munitions worker than to train a soldier, and claimed that the government would turn out about 40,000 in the year. Just at that time, however, it appeared that the Germans were carrying on a similar training, and that they had already trained a half million workers for war industry. Mr. Churchill declared there was need for about a million women to go into industry. Great Britain now realizes she made a late and inadequate start. We are still later, and we must give the problem our most serious attention.

As I see it, we should begin at once with comprehensive and intensive training of people for industry. The best way to do this is to have people employed while they are learning. In that way we will get better learners and better results. National registration cards offer an excellent basis for this effort. Then, there are many people employed at the present time in non-essential industries who could be employed elsewhere. They could be employed in more essential walks of life. For example there are some who are driving trucks. I am not suggesting that the driving of trucks is not essential, but many who are

so employed could do work which is more essential. There are many thousands who could fill their places.

It is my recollection that at the time of the last war a great deal of the automobile driving was done by women.

It seems to me, too, that there are industries now operating which need not continue to operate, and whose workers might be better employed, from the national viewpoint, in a war industry. The easiest way to effect that transfer is to carry out the sound Liberal policy which many of us have advocated for years, namely, to let in goods from Great Britain. Now is the time when the advocate of low tariffs has all the force of the war on his side—the first time it has ever happened. I suggest that those who are making in Canada goods which could be obtained from Great Britain could be released for other more essential work.

Furthermore—although this is somewhat aside from the point I am making—the great need in Great Britain to-day is that of obtaining foreign exchange. She must sell her goods, and she could sell large quantities of them in Canada if we would only let them in more easily. If we freely admit British goods, Great Britain will then be able to pay for many things obtainable in Canada, and it seems to me possible that she would thus create a credit which could be used in the United States. That she needs this financial aid is clear. The press of yesterday reports that Lord Lothian has returned to the United States stating that in 1941 Great Britain is going to face a severe financial crisis. He is asserting to the people of the United States that Great Britain needs financial help. The very best thing we can do for Great Britain is to permit her to send her goods to Canada, and in that way while helping her we will help ourselves to solve our labour problem.

I do not wish to leave the suggestion that nothing is being done about this problem, because I know very well that a good committee has been set up by the government to look into the matter. My only reason for emphasizing the point is to urge upon the government that it, through that committee, and in every other way prosecute its inquiry to a point where it may with all speed and all energy take the necessary steps.

The government is to be commended for what it has done, and I just hope that there may be no slackening—I do not expect any—in its effort.

It is perfectly true to say that we have not been ready for several things which have happened, and we were in good company in that state of unreadiness. Probably it was impossible for any democracy to be ready. But the situation now is different. We can see our problem looming up in front of us. Here is something for which we can be ready; here is something we can do. When the time comes for us to answer the call of Great Britain for more industrial assistance, we can be ready to give it.

It will be remembered that during the last war Lloyd George went about the country organizing industry. I can well remember his stating that he feared Britain might have to write over the doors of factories the words "Too late; too late." We must not be found in that position.

For about twenty years I worked on railroads in one capacity or another. During that time I performed a variety of jobs. Sometimes I have tried to decide just what it was that was most desired in a railroader, and I have come to the conclusion that a good railroader is one who is in the right place at the right time. "In the right place at the right time"—that might very well be our motto in connection with the problem I have been dealing with. Let us hope that, representing the people of Canada, the government will be in the right place at the right time in connection with our industrial help to Great Britain, and if this is so, we shall never be too late.

Mr. C. E. JOHNSTON (Bow River): I am sure every hon. member realizes that this is a grave time through which we are passing. We in Canada should be as well aware of that fact as any other people in the world.

I believe some of the criticisms and suggestions offered by the two hon. members who have immediately preceded me in the debate are worthy of consideration by the government, but I was struck by the implication of the statement of the hon. member for Yale (Mr. Stirling) that the people of Canada are only too anxious to do what they can in connection with the war effort. Then I recall what the hon. member for New Westminster (Mr. Reid) said a few days ago—that there was a feeling of dissatisfaction and uncertainty throughout Canada. Perhaps "uncertainty" would be the most correct word to use. I am quite in accord with that opinion. As I said last year, you cannot force people into patriotism. I think we are beginning to realize that. The sooner we get down to basic facts, the sooner we ask ourselves why there is such a lack of patriotism, the better it will be for all. Let us not pat ourselves on the back. We must face this thing sooner or later.

The answer is that the people do not know what to do. They do not know what the government wants them to do. There is no

leadership. I do not mean that in any offensive way; I would not offend hon. members for the world. But I ask them to listen to reason. I can remember the laugh that went up from the other side of the house when I suggested two or three years ago that we should have one of the best equipped air forces in the world. But I defy those hon. members to stand up in their places to-day and laugh at that—or say it is a joke.

The people do not know what the government want them to do. The other day the Minister of Finance (Mr. Ilsley) told us that we should save. Everyone is advocating a belt-tightening process, just like the hon. member for Yale. What does he mean by belt-tightening? There is no policy laid down. The people are given no guidance. If you say to the people, "We do not want you to buy cars," I venture to say that there will not be a new car sold. But if you do not want them to buy cars the proper thing to do is to say to the manufacturers, "Do not make any more cars; we want your machine shops to produce war materials." Why attempt to advocate these things by a process of undue taxation and then have new cars in the show windows advertised at reduced prices or with the slogan, "Buy a car before Christmas to satisfy your wife."

Some hon. MEMBERS: Oh, oh.

Mr. JOHNSTON (Bow River): I hope my wife does not read that. But the thing is so ridiculous. On the one hand we have the manufacturers trying to encourage people to buy; the people are told to "buy before Christmas, fifty cents down and a dollar when we catch you." Anything to get them to buy before Christmas. On the other hand, we have the government stealing in with their taxation and taking the money away from the people. Will such a course lead to unity and satisfaction? Certainly not. If you do not want our women to buy new fur coats, the thing to do is to stop the manufacture of fur coats. If these manufacturing facilities are needed for war purposes, why not be man enough to say so? If you want more aeroplanes, be man enough to say so. Come out and face the facts; do not try to hide behind political seclusion.

See what happened to France. It was the financial policy that ruined France. France was sold out not by those whom we generally refer to as fifth columnists in the rank and file of the people, but by those in higher places. We must guard against this, or we shall have trouble in Canada. I am sure the people are only too anxious to do what they can, if they only knew what was needed. The government must give guidance to the people. If that is done, I am sure they will respond.

I do not intend to dwell at any great length this afternoon on our war effort; I shall deal with it at a later time. I desire to speak more particularly about our farmers. The hon. member for New Westminster said that he did not know what was causing dissatisfaction among our people, but if he looks in our agricultural field he will find plenty of cause for dissatisfaction. There are no more patriotic people in the world than our agriculturists. As the Minister of Agriculture (Mr. Gardiner) said the other day—he is gone again; he is not in his seat; he is the busiest man I ever saw; he flutters around and does not do a thing; our farmers have been contributing a great deal to the war effort. Yet there is no industry in Canada which has been treated so unfairly. Is it expected that that will be a basis for unity? You cannot get unity with that type of treatment.

Our farmers are at a loss to know what to do. Again the government is lacking in providing the necessary guidance. About a year ago the Minister of Agriculture advocated the increased production of bacon, and immediately the farmers gave it to him because he had asked for something definite. They said: If it is bacon the British empire wants, we will give it to them. Then what happened? There was an influx of bacon from the United States; the price dropped and the farmers got stung. The country wanted wheat and the farmers went ahead and produced wheat. What has happened? They are starving to death on the farms. Again there has been a lack of guidance.

Either the government do not know what they want, or they are deceiving the people. In either case they have no right to be leading this country during war time unless they have something better than that to offer. If the government will decide what they want, I am convinced that the farming people of this country will be only too ready to share the burden. It seems to me that every time the Minister of Agriculture gets in a jam, if he cannot pass it on to the Minister of Trade and Commerce (Mr. MacKinnon) he looks ahead to the future. He seems to be most optimistic about the future. He can look ahead and say that in five years we will be short 50,000,000 bushels of wheat.

Mr. MacNICOL: He is counting on a couple of years of drought.

Mr. JOHNSTON (Bow River): He is waiting for Santa Claus. If we are going to be short 50,000,000 bushels of wheat in five years, which is not very long, then we should not be

greatly concerned over our wheat problem. The only thing lacking is the money. The other day the Prime Minister (Mr. Mackenzie King) said that whatever was physically possible would be made financially possible. I do not know whether he meant that; the government have said so many things they did not mean. It is hard to tell just what they want. I do not think there is any danger to us in our present large supply of wheat. In fact, I think it is one of the most beneficial things we could have at the present time. We have no assurance that we are not going to have a drought in the west next year, or the year after. If that were to happen, then what would be the position of the British empire? It might prove to be one the greatest calamities for this country or the empire.

I should like to refer briefly to a pamphlet entitled "Wheat and War," and containing an address by George S. Mathieson, president of the Winnipeg grain exchange. Here is what this experienced grain man has to say in regard to our supplies of wheat:

> The maintenance of this substantial reserve of wheat can well be one of Canada's contributions to the empire war requirements.

There is definite guidance for the farmer. He is being encouraged by an experienced grain man to raise wheat. Mr. Mathieson continues:

> The price ultimately to be paid for it is a matter to be determined by world conditions when the demand comes. The picture, which envisages Canada with so much wheat that she does not know what to do with it, ignores the necessity of abundant reserves against contingencies. The wheat board, fully aware of this situation, need not be expected to offer for sale any more wheat than is actually wanted.

That is good advice. I think we are unduly concerned about the vast amount of wheat that we have on hand. We should be tickled to death with it. But the fact that we happen to have an abundance of wheat is no reason why we should force our farmers to starve to death. There is one thing which neither this nor any other government can control, and that is the future climatic conditions. The big cry goes up from the government, where shall we find the money? But there has never been any question about money when it comes to the war industries. The war industries get what profit they want. I recall that we passed legislation limiting profits to five per cent, but that legislation was rescinded and you do not know what profit is allowed now. They are getting what they want. The farmer, however, is definitely making no profit, and when you come to the point where you are making no profit but are going behind on every bushel of wheat you raise, it is time to take stock of things. I think a little consideration should be given to this subject.

[Mr. C. E. Johnston.]

As I said a moment ago, the Minister of Agriculture can always find some nice excuse out, and sometimes a fine speech is about all he has to offer. I have a clipping here from the *Albertan* of September 10, 1940. The Minister of Agriculture was speaking at Toronto, and these were his words of encouragement to the farmers:

> Giving his address at the live stock day luncheon at the Canadian National Exhibition, Mr. Gardiner addressed his preliminary remarks to farmers and said he had "unpopular" statements to make.
>
> The first was that "this is not the time for the farmer to increase his expenditures and hence not the time for business to be booming in agricultural areas."

If he was seeking to imply that business was booming in agricultural areas he does not know his agriculture, although he may have had a farm given to him by the Saskatchewan government and may go out there for his vacations. If business is booming for the farmer the minister certainly does not know agriculture, because business has never been booming for the farmer. But the minister went on to say this, which appears under the heading "Sees tough winter ahead"—and here again he is a prophet:

> Experience had shown that farmers never enjoyed prosperity in the first two years of a war and "this winter and possibly the next will be the toughest the farmers are likely to experience during this war period."

That is not a pleasant prospect. Farmers all over the west found it pretty hard this year to make ends meet, let alone pay their debts, and the only consolation the Minister of Agriculture has to give them is that next winter is going to be still worse. More of the belt-tightening process, and he expects by that to develop unity across Canada!

But the minister had a little more advice to give to the farmers. I have here a clipping from the *Albertan* of September 14, 1940, in which the minister is reported as follows:

> World wheat marketing conditions may change between now and November 1, Agriculture Minister J. G. Gardiner to-day told a press conference—

November is come and gone and conditions are still the same, but the minister hoped they would be better before November 1. The report goes on:

> —and it is possible the government may delay until the end of October—

So he put it off again!

> —its decision on how to help the wheat farmer who cannot turn his crop into cash because of lack of elevator space.

He finds himself in a difficulty and so he tries to wriggle out of it by putting the onus on the provinces, thereby satisfying his own

conscience. So he brings up this obstacle, and I thought this was rather good. Under the heading "Laws a barrier", the report goes on:

Provincial laws, Mr. Gardiner explained to-day, regulate the deductions when loans are made on wheat on farms. The threshing bill, the year's taxes, the accounts for repairs and for necessities of life must all be taken care of.

In this article the Minister of Agriculture complains that because of these obstacles the government cannot make loans to the farmers on wheat stored on the farms. I looked at the article again and I thought, what more would he want in there? There is provision in the provincial laws with respect to the threshing bill, the year's taxes, the accounts to be paid for repairs, and the necessities of life. The only things missings are the machine companies and the banks. The only objection the minister can have is that the banks and the mortgage companies were not protected by provincial legislation, and so provincial legislation should be changed. Well, Mr. Speaker, when we take the attitude that the farmer is not entitled to a decent standard of living I think the Minister of Agriculture who implies such a thing should be taken from agriculture and put into another office. He goes on and says:

I was told the law was so and so, and I replied that some laws could be changed by calling legislatures.

Why would you want to call the legislatures together to change such a law? Legislatures would not be worthy of the name if they assembled in the different provinces and took away from the farmers that measure of protection which is so necessary.

But the Minister of Agriculture has a rather soft spot in his heart, I was pleased to see. I was reading *Hansard* the other day and what he said was so touching that, knowing him as I do, I think I should read it to the house. He said, as reported at page 95 of *Hansard:*

I shall continue to fight the battles of the farmers of Canada. No adding to or taking away from duties or prestige will remove my life-long association with and love for farmers and farming.

That love for the farmers was so very touching, Mr. Speaker, that I thought then we should advise the Prime Minister to relieve the Minister of Agriculture of his many portfolios and give him another one entitling him to be called the minister of romance, because he has such a loving heart.

Mr. BRADETTE: That is not even witty.

Mr. JOHNSTON (Bow River): It does not seem witty to the farmers who are living out there in poverty and starvation to have that sort of stuff put up to them as a policy. I agree one hundred per cent that that certainly would not appeal to the farmers in the situation they are faced with now. Is it any wonder that—

Mr. BRADETTE: I mean that you are not witty.

Mr. JOHNSTON (Bow River): You do not need to put yourself up as a wit.

Mr. BRADETTE: How about the social credit dividend?

Mr. JOHNSTON (Bow River): The government will have to come to the social credit policy before very long. Make no mistake about that.

Then we have another beautiful picture with reference to the storage problem. I bring this question up, not for the purpose of saying something which has already been said, but because I believe we are going to have a more acute storage problem on our hands next year than we have now. I can see quite clearly from the government's handling of the storage problem this year that we are heading into a very dangerous situation.

This problem of storage came up in the house last session. The whole question was thoroughly threshed over, but the government had no policy to offer, no solution to propose. They went blindly on until they came up against the situation we now face. The farmers were promised storage. Assurance was given that some sort of storage would be given to the farmers. The farmer himself was asked, probably indirectly, to provide some storage for his grain and the farmers in my own community deserve a great deal of credit for the way in which they attempted to provide as best they could their own storage facilities. Some of them even used parts of their homes as granaries. Others went out and constructed a rude type of granary with wire and sheaves, and others just had to pile it on the ground, it was left there and the rains came and a great deal of it was spoiled. But they did their share, anyway.

To add to the difficulties of the farmers in regard to storage of the 1939 crop, the price of lumber—most unfairly, I think—went up considerably. I admit that there was a scarcity of lumber because the government needed it for their war effort, but there was no need or justification for the increase in the price. If an article is scarce, the obvious thing to do is set the price; but that was not done, and the farmer was put to a greater expense in order to meet the requirements of the government, because it was the government that asked the farmers to provide storage.

Another unfair aspect of the thing was that, while the elevator companies were given their storage right away, the farmers did not receive their storage until three weeks afterwards. One would almost be tempted to think that this government was working for the interests of the elevator companies and the big concerns and disregarding the farmers. I read not so long ago an article in which it was stated that the elevators were guaranteed storage for eighteen months. The farmer never has been guaranteed his storage on the 1939 crop; in fact he is not going to be allowed to get very much storage, because no advance payment is to be made on the wheat. So that if he wants cash—and he is very badly in need of cash—he has to take his grain to the elevator. By this process the elevator companies will keep their elevators filled to the roof, and they are guaranteed the storage for the length of time mentioned. We all know that last year they made something like $15,000,000 from storage. Some of that $15,000,000 would have been a fine contribution to the farmers if it could have come to them this year.

Remember, too, that though the farmer was not given storage, the elevator companies are guaranteed storage, so they are going to keep their elevators filled and they will make as much money out of storage this year as they did last year.

I was looking the other day at the issue of *Monetary Times* for October 26, 1940, and I ran across this:

> On the other hand, there is a large grain crop and carryover which the banks have been financing. From August to November, 1939, current loans were up $147,000,000 mainly on this account.

I want you to notice the next statement:

> As long as the elevators remain full, this branch of the banks' business will not suffer.

So that there are two reasons why the elevators will be kept filled: first, that the banks shall make a profit; second that the elevator companies shall get again this year profits of $15,000,000. That is no way to treat the farming community, and it is no way to assure unity in this country. You play directly into the hands of the big concerns and let the little fellow go.

What will be the situation so far as next year's crop is concerned? I can quite well see that when the elevators are filled next year and there is another crop coming on, this government will appeal to the farmers to build granaries, though they will have lost the storage for 1939 and a share of the 1940 crop. Is that fair dealing? The elevators will have been filled by that time; they will remain full right through the period of the war, and the obligation will again be thrown upon the farmer to provide the storage, although he will have no guarantee that he is going to make anything out of it. If that is conducive to unity and patriotism, I cannot see it.

Last year there was some talk here about advancing payment to the farmer for his crop held in storage, but nothing was done about it. It was not an oversight; the Minister of Trade and Commerce knew at that time that this situation was going to arise; for he said this, as reported in *Hansard*, 1940, page 2252:

> Unless something is done to make available to the farmer more money than, owing to elevator capacity conditions, he can obtain from his first deliveries, there will be widespread suffering, and there would be widespread necessity for relief.

The minister is to be commended at least for his foresight. He knew that that condition was coming. So did the rest of the cabinet know; they could not help but know it. Yet what was done? Always procrastination; always leaving until tomorrow what should be done to-day; no policy; no direction. Here was the situation, quite clearly known to at least one cabinet minister last year, but nothing was done. Apparently the whole thing fell down because there was no money.

Quite amusing things happen when one speaks of this question of money. I recall when the wheat committee of the cabinet was sitting here last year after the house closed, the government called in the experts to handle this wheat situation. Among the experts whom they called were bankers, and quite properly so. If you want grain raised you go to the farmers. If you want lumber you go to the lumbermen. If you want money you go to the bankers. They claim they are controlling money; they should be the ones to provide it. On this point I want to read an extract from the address of Mr. G. S. Mathieson, president of the grain exchange:

> The problem of providing funds, where necessary, for the erection of storage buildings on the farm and to make loans against grain stored on the farm, would appear primarily to be a responsibility of the Canadian banks, whose business it is, under certain limitations, to lend money.

So the government did right in calling in the bankers. But what did the bankers tell them? They said, "Well now, listen; you fellows have got us all wrong. We did not come here to give you money; we came to give you only advice." So they were turned away and again the farmer was left to shift for himself.

We come now, Mr. Speaker, to the matter of next year's crop. I think we should be given

guidance by this government as to their policy in relation to the coming crop. This is necessary, it seems to me, if for nothing more than to attempt to ensure unity throughout the country. The prospects of the farmer are very poor indeed. The Minister of Agriculture's great love for the people is not going to get them food to eat next year, nor will it put clothes on the children's backs; and I am sure that the minister has no intention of doing either of those things.

We have suggested that the government take over the storage; in fact we have on the order paper a resolution which reads:

Whereas the system of wheat storage on the farms is quite inadequate and will not prove efficient in the years to come;

And whereas it is quite inequitable to ask the farmers to build or provide their own storage facilities:

Therefore be it resolved,—That, in the opinion of this house, the federal government itself be urged to make provision by the erection and/or purchase of storage facilities and accept delivery of wheat when tendered.

Now is the time when the government should be concerning themselves about storage for next year's crop. If they do not they are going to have the same difficulty they are finding this year, and there will not be any more satisfactory solution, because they will not be ready. What is the use of waiting until next year to start this enterprise of building up storage? Are we going to wait and pay the elevator companies another $15,000,000? Why not use that money to construct storage facilities? I can well remember the Minister of Agriculture making the remark a year or so ago that if the government were going into the wheat business and the wheat board were going to handle all the wheat, they would have to take over the storage facilities, and I think he was right. Then why does he not do something about the matter? There is no use in making these statements and then doing nothing about it.

The question of price has been raised. We have on the order paper another resolution dealing with the price of wheat. I want to put it on *Hansard* at this point in order to show what our attitude is. It reads:

Whereas the prices of farm machinery, all costs of living and farm wages have increased due to the war:

Therefore be it resolved,—that, in the opinion of this house, parliament should immediately take such steps as are necessary to ensure the farmers of Canada a fixed price of not less than one dollar per bushel for number one (1) northern wheat at their local elevator, on at least the first 2,000 bushels of the 1941 crop.

There is quite a variety of opinion on this question of price. I am glad to see that, as each session goes by, the government comes to the conclusion that the resolutions which we have put on the order paper have been almost right as to price. At the 1938 session we had a resolution at that time asking for a price of 95 cents a bushel at the local elevator, and the Minister of Agriculture made a great oration—he is wonderful at that anyway—pointing out that farmers should not get 95 cents a bushel for their wheat because the cost of production was 30 to 40 cents. On page 2623 of *Hansard* for April 5, 1939, the Minister of Agriculture had this to say with regard to price:

It has been proven over and over again that twenty bushels to the acre of wheat can be produced at a cost of from 30 to 40 cents a bushel.

Then I asked him:

What is the basis of that estimate of from 30 to 40 cents a bushel as the cost of production?

Mr. Gardiner: Estimates have been made by authorities in Saskatchewan university, and there are also the figures submitted by the Saskatchewan government to the Rowell commission.

So the minister was quite convinced at that time that 30 to 40 cents was the right price. But he had to change his mind. On page 102 of *Hansard* for November 14, 1940, he is reported as saying, and I should like the house to note this particularly:

It is generally admitted that 70 cents advance at Fort William, which nets the farmer about 50 cents a bushel, does not cover his total costs of production and therefore does not maintain him as a contented producer.

That is, a return of fifty cents a bushel on the farm does not cover the cost of production, yet in 1939 the minister said that 30 to 40 cents was adequate.

Why then does the minister not do something about the matter? Surely he does not expect farmers to raise wheat at 50 cents a bushel at their local elevators when there is no profit in doing so. Manufacturers of war supplies do not work on that basis; members of parliament do not; no one else in the country does, yet he is asking the farmer to raise wheat at less than the cost of production. First it was 30 cents, then 50 cents; would it not be a grand thing if the Minister of Agriculture would make up his mind?

This question has been discussed on many occasions and the government have frankly admitted that they are at a loss to know how to settle it. They have travelled all over the country trying to get suggestions. But they never got an answer to their difficulty until they went to Alberta. When they were in Alberta the provincial cabinet met the committee and the Minister of Trade and Commerce (Mr. MacKinnon) when he was

there with regard to this question, and gave him a written submission setting out how to handle the wheat problem. I have it here; it was reported in *To-day and To-morrow* in its issue of September 19 last. I read the last paragraph to show that one government at least has offered to help this government, but that offer was rejected:

> In persistently pressing for early action the Alberta government wishes to express once again its complete readiness to cooperate with the federal government in every possible way in dealing with the situation. Also, once more, the Alberta government reiterates its willingness to deal with the situation—

That is the wheat situation.

> —in this province along effective lines if the federal government, for its part, will undertake not to interfere with such action and, where it is necessary to invoke federal powers, to extend full facilities and cooperation to the Alberta government.

That is to say, the Alberta government has said to this government: We will handle the wheat situation ourselves if you will just give us the necessary cooperation. It is not an impossible situation, although the Minister of Agriculture may think it is. As he has handled it, it would appear so.

Just consider the difference in attitude between the Alberta government and the bankers when they met with the wheat committee in Ottawa. The bankers said to the government: We will give you nothing but advice. But this government out in Alberta, that has been so greatly criticized and run down, especially by this federal government say: We will take this wheat right off your hands if you will give the necessary cooperation. One would think that at a time like this, with the government faced with this wheat problem, this offer of cooperation for maximum war effort by the Alberta government would have been welcomed. But what did the federal government answer? Nothing. The farmers are not getting any money; the government have no policy for next year's crop; what a pleasant outlook! People are asking, "What do you want us to do? Tell us and we will do it."

The hon. member for New Westminster (Mr. Reid) said the other day that in his province they are paying a dollar a bushel for No. 5 wheat for chicken feed. Yet the people in Alberta cannot sell their wheat, or when they do they get less than fifty cents a bushel for No. 1. Obviously there is something wrong. The people in British Columbia have apples; we in Alberta and Saskatchewan have no apples. How willingly we would trade wheat for apples. Yet we cannot do it. This is war time; people are starving; in Alberta and Saskatchewan people are suffering.

If we cannot settle these interprovincial troubles, how can we expect to settle the world problem? Let us start at home, rectify these wrongs, set our own house in order, and then it will be time to look for something bigger to solve. This problem can be solved if the government will only look to the basic cause of all their difficulties, namely, the financial trouble. But that is the one thing they overlook. I do hope the government will take this question seriously and see that this condition does not exist next year. I am sure it can be disposed of if they just make up their minds to do so.

Mr. R. W. MAYHEW (Victoria, B.C.): Mr. Speaker, since coming to this house I have tried to listen with an open mind to the arguments of our social credit friends. I have even gone so far as to read their literature, including the book written by their leader in this house, but this afternoon I have come to the conclusion that I have listened and read with a mind too open, simply drifting along. I am going to adopt the same attitude with regard to the anti-Gardiner speech to which we have just listened. I think most of the people of Canada recognize the value to this country of the Minister of Agriculture (Mr. Gardiner), and will take the same position.

For two and a half weeks now we have been telling the world what we have been doing in connection with our war effort. I do not believe I would add to the discussion but for the fact that there never was a time in our history when there was so much to do and so little time in which to do it.

First, I wish to congratulate the mover and the seconder of the address in reply to the speech from the throne upon their fine speeches, because they set an example to the rest of us by keeping the discussion on a high plane. I believe that their example has been followed and that, for the most part, members on both sides of the house have tried to be constructive in what they have had to say.

I should like to refer particularly to the hon. gentleman who seconded the address (Mr. Jutras), and his appeal for understanding in dealing with the situation of the farmers in western Canada. I am interested, as all westerners are, in the success of western Canada. I have watched the growth of the west probably for longer than most members in this house; I have seen many of the sites now occupied by towns

and cities, when they were bald-headed prairie. I know the people; I know something of what they have to put up with in carrying on farming, and I know that their success means the success of the rest of Canada. But, Mr. Speaker, I do not believe that the wheat problem can be solved, or that the situation of agriculture generally can be improved, by any bonusing proposition. If you bonus wheat and raise the price, you only make it more difficult to produce some of the other commodities that should be raised from the wheat.

I think we can best assist the farmer, and in doing so assist ourselves as well, by doing what any business man does; that is, by deciding how much we need for ourselves and to meet the requirements of our best customers. To-day Canada has only one customer left—Great Britain. Her requirements, together with our own consumption, are estimated at approximately 275,000,000 bushels. Therefore I think Canada should buy, at a good price, and store the 275,000,000 bushels necessary to look after herself and her best customer. We have at the present time an obligation to look after the people of Great Britain. But I think it is the obligation of the farmer to look after the remainder of the wheat. I have always found that the safest man to trust for assistance is yourself. Neither the government nor your neighbour will look after you as well as you can look after yourself. I was born and brought up on a farm, and I think it would be good business and good farming practice to keep your own grain in your own granaries under your own control. Then you would be greatly tempted to feed some of that surplus grain to your own stock and thus convert your wheat into butter, eggs, bacon and live stock, thereby greatly increasing our own consumption.

If I may refer for a moment to a local matter, I should like to express our appreciation of the visits of four members of the cabinet to our riding during the recess. The invasion was led by the Minister of National Defence (Mr. Ralston). We never lacked confidence in him or in his ability, but that confidence was greatly increased after his short visit. Then we had a visit by the Minister of National Defence for Air (Mr. Power). That was really too much of a flying visit, but we have heard him speak and have seen him before, and our memories in that regard are still fresh. Then we had a visit from the newly appointed Minister of National Defence for Naval Services (Mr. Macdonald), who wins confidence and friends wherever he goes. I believe it was only his second visit to the Pacific coast, but it was a timely and much appreciated visit. The fourth minister to visit us was our own Minister of Pensions and National Health (Mr. Mackenzie), who comes and goes quite frequently.

I should like now to extend to another member of the cabinet, the right hon. Minister of Justice (Mr. Lapointe) an invitation to visit our city. The people of Victoria feel that they owe the minister a great debt because of the way in which he has kept Canada a unit. He interprets our viewpoint to the people of Quebec and interprets to us the viewpoint of that province, and only through a visit by him can we really show our appreciation of his great efforts.

Recently the Prime Minister (Mr. Mackenzie King) paid a visit to eastern Canada. We hope he will be kind enough to visit western Canada and the city of Victoria. I think he will be surprised at what his ministers have accomplished for him and for Canada in the way of protection on the western coast. While he is there we may point out some possible improvements, because there are always improvements that may be made; but I assure you, Mr. Speaker, we are proud of the many things that have been done.

I should like to refer briefly, if I may, to the speech made by the leader of the opposition (Mr. Hanson). While my parliamentary experience may not be equal to his, possibly he will not object if I make reference to his observations because, after all, I do not believe there is much difference in the number of years we have served Canada. My observations, however, will not be critical; on the contrary I wish to compliment him on a statement which I suggest is to his credit and one with which I believe the people of Canada have been greatly pleased. He reached the high light in his address when he rededicated himself and his party to the support of the government's war effort. If there ever was a time when the people of Canada have been looking for those who were willing to forget party lines, to forget criticism and to offer constructive suggestions, surely that time is the present. My only regret is that he did not continue in his observations with an outline of his own programme for the prosecution of the war, so that we might have contrasted his suggestions with the effort which the government is now making. No doubt he will avail himself of an opportunity at some later time to present his suggestions.

May I refer to the speech, or possibly I should say the report of the Minister of Agriculture respecting his trip to the old country. We were greatly heartened when listening to what he had to say with regard to what is

happening in Great Britain, and we were encouraged by his description of how the people in England are standing up under the terrific strain they are now being forced to endure. We were particularly interested in his attitude. He did not go to England with a price tag on our commodities—our wheat, our bacon, our cheese or our butter. Had he gone there with price tags he would have failed to appreciate the sentiments of the people of Canada. He did, however, go with a determination to find out how much of certain commodities the people of Great Britain wanted from Canada, and he left it for them to say what they were willing to pay. If that money is not sufficient to pay the farmer a reasonable price for his products, then I suggest that the difference should be made up by the general taxpayers throughout the country.

The Minister of Finance (Mr. Ilsley) has a heavy burden indeed. The time is not yet ripe to say whether he is making a real success of his undertaking, but I should say he has made a splendid start, and would seem to be on the road to success. I should like to compliment him upon one action he has taken, namely, that of making it possible for people to pay their income tax over a period of eight months. He has instituted an arrangement whereby one-third of the income tax may be paid in the first four months, and the remaining two-thirds in the last four. That is an arrangement which I hope may be repeated on future occasions.

The government and the people should remember that profits are not always liquid. They are liquid only in an industry or a business that is in a state of semi-decay. If a business is progressive it can pay only out of it profits. As the profits are made they are placed back in the business. I am sure the Minister of Finance does not want to harm the development of industry, nor is he willing to accept in lieu of cash the products of any business. He must therefore exercise great care so as to avoid destroying entirely the goose that is laying the golden egg.

I know that the minister is going to look for more money, and that he must have it. I believe there are ways by which he can get it. I would suggest to him that he adopt a more vigorous campaign in connection with the sale of war savings stamps. In the purchase of war savings stamps we have in essence a programme of superannuation. We now have a plan whereby one may buy a superannuation certificate, but the handling of that plan costs a great deal of money. I suggest that through the purchase of war savings stamps there would be no unnecessary expense. May I suggest to the minister that instead of having the whole sum mature at the end of a seven-year period, he give the option of having the date of maturity set at the end of five, ten, fifteen or twenty years. Under such circumstances one might buy a superannuation certificate to suit his own requirements. I believe that a little encouragement, promotion and persuasion would induce many employers to purchase the first stamp, and possibly the last one, in order to help their employees.

With the exception of the necessity of running errands for our constituents, hon. members have not had very much of a practical nature to do in connection with the war effort. Here is a job, however, which might be undertaken by them. I believe that in our respective districts we might organize so as to produce much more than is now being derived from the sale of war savings stamps, and at the same time we might promote the idea of superannuation funds for everybody.

I have a further suggestion to make, that the minister continue the home improvement plan. While that plan has not obliterated the slums from our cities, I think it has prevented other districts from becoming slums. It has given our people an opportunity to own their own homes. After all, our home life is the corner-stone of our country. There are also rumours that he may discontinue the national housing scheme, but I hope they are not true. I hope he will make an announcement at an early date that this scheme will be continued, either in its present form or in some modified way which will be acceptable to the people. In the belief that this scheme is to be discontinued the people of Canada, particularly of western Canada, have been rushing to get their homes built in order to come under the plan. This has created in many districts a shortage of labour which is wholly unnecessary.

I have one other suggestion to make to the Minister of Finance. He seems to have an abundance of auditors going through the country. An auditor is a fine man to check on what has been done, but it is generally too late. I suggest that the minister adopt a policy of having more inspectors going round to prevent things from happening, rather than of having the details put down on paper after they have happened. I do not offer these suggestions in a critical way; I offer them from the observations I have made in my travels.

I consider that the address delivered the other day by the Prime Minister was a masterpiece. While he was at times optimistic, I read into his remarks a definite warning to the people of Canada that there was a terrific struggle ahead. He pictured the territory in the enemy's hands, all the shore line from the

northern tip of Norway to Spain. He described what was back of that shore line, the resources of practically all of Europe with its generations of experience in engineering and manufacturing, all ready to attempt to wipe Great Britain off the map. Surely such a statement is not likely to lull one into a sense of false security; it was a definite warning to the people that they must bend themselves to greater effort.

I believe that the people of Canada should be told the truth at all times, no matter how black it may be. They should be told the truth without varnish. Only by being told the truth can we adjust our minds to the problem and our shoulders to the task and carry it through to completion. Canadians are not cowards. Canadians have faced difficult tasks in days gone by, and they are ready to face difficult tasks in the future. But they must know where they have to go.

During the recent election and during this session we have been told by our Prime Minister and other members of the government on more than one occasion that Canada's effort would be the utmost in human and material resources. I wonder whether we have reached that point? I compliment most sincerely the ministers of the different departments upon what they have accomplished. Recently I travelled from Victoria to Halifax; I visited many of the camps and the aeroplane fields; I saw both naval yards, and I inspected some of our industrial plants. With all that the ministers have told us, they have not yet conveyed to the people of Canada the complete picture of what has been accomplished. I shall not attempt in my feeble way to do what they have not done. I feel that the accomplishments are beyond the ability of any one to picture, but we have still a road to travel before we have put the utmost of our human and material resources into the defence of Great Britain.

So long as there are idle people in our communities; so long as there are idle machines in any part of Canada; so long as there are shipbuilding ways which are wholly or partly idle, we in Canada cannot say that we have thrown our utmost into this struggle. It was the most natural thing for the Minister of Munitions and Supply (Mr. Howe), when he was in a hurry to get what he wanted, to go to the centre of industry to ask them for what he needed. I do not think anyone can find any fault with that, nor do I think anyone can find fault with the length of time it has taken the minister to tell industry what he wanted. I am satisfied that when the picture is put before us more clearly than it has been up to the present time, we shall be most proud of him. But the back-bone of the immediate need has been broken, and rather than have these activities centralized they should be spread through the whole country in order to give everyone an opportunity to express his patriotism in action.

As I speak, I think of the 75,000 tons of scrapiron now lying in the yards of British Columbia at a time when Beverley Baxter can describe in an article in a magazine how they came along and took the iron fence from in front of his place. Surely there ought to be some way of turning that scrapiron, and the 50,000 tons which will be produced annually in years to come, into steel to help in the prosecution of this war.

Speaking in this house last year, I said that I thought Canada should build at least fifty merchant ships in order that we might be able to take the products of this country to any part of the world. That suggestion did not raise even a ruffle in the house, but I am glad that it raised a little ruffle outside. I understand that Great Britain to-day is buying or having built in Canada eighteen such boats. We read that Lord Lothian when he landed in New York the other day said that Britain was drawing on all her resources and that her financial standing was becoming weak. But Canada, Mr. Speaker, has no debt owing to the United States; we are not in default. We can borrow money from the United States; we can lend it to Great Britain if we wish to, and we can produce the boats. The United States legislation does not apply to Canada.

Mr. HANSON (York-Sunbury): Their neutrality act prohibits it.

Mr. MAYHEW: I was referring to the Johnson act.

Mr. HANSON (York-Sunbury): That is one act, but there is the neutrality act.

Mr. MAYHEW: Where there's a will there's a way.

Mr. HANSON (York-Sunbury): I agree with that.

Mr. MAYHEW: I say that we in Canada should immediately take steps to build not only the eighteen boats Britain is asking us to build, but another thirty-two along with them, making the fifty originally mentioned in this house. Then we should be in quite a different position. To-day we are like a wheelbarrow without a wheel. We cannot transport our goods across the ocean. We grow our grain and make our munitions, and then we leave them on our doorstep and ask Britain to come and get them. That is not good enough. It is time that Canada stood on her own feet. Surely we have enough

resources to do this. Only when we are doing our utmost can we truthfully say to our people that we have gone the limit.

This has been a comfortable war so far for us. Labour is better off, working longer hours and for better wages. Our merchants have never in years had as good a turn-over as they have had this year, and our manufacturers have never had a better year for keeping their plants going. It is the farmers and those who have lost their sons and daughters who have been doing most of the suffering. But our day will come, and it should come very shortly.

I speak now for the people of my own constituency, people who are predominantly British, people who belong to the oldest cities in Canada. Those who are Canadian-born may speak of the people in the homeland with a certain amount of sentiment, but when the people in my riding speak of the homeland they are thinking of their sons and their daughters and probably their fathers and mothers who are in Britain now suffering under the daily bombardment, and it is hard for the people in my riding to stand idly by and not be able to express their feelings in action.

I want to say just a word or two about our troops. I think the only thing is to treat our boys as humanely as possible. The best that you can spend on help is not merely the wages that you pay a man. It is the small things that you do afterwards which bring you and the man together as human beings. These are the things that produce results. So I say, to put it on the lowest possible basis, we should, if only for the sake of a better morale in our Canadian forces, see to it, if it is at all possible, that our soldiers are given at least one trip home before they embark for overseas.

I see that my time is about up, and I shall take the few minutes left to refer briefly to the forthcoming conference of premiers of the provinces to consider the Sirois report. I do not believe that these men who hold the confidence of the people of Canada are going to come to Ottawa with the case prejudged, having decided that they are not going to do this and that they are not going to do that. I think that as men of experience in public life they will sit down and consider on what points they agree, and that upon the points on which they cannot agree they will try to straighten out their differences in order to give us something definite, because on that report hangs a long-term policy for Canada, and it is time that we had a policy that was longer than any policy that has been given to us yet for the development of this country.

[Mr. Mayhew.]

I should like to see sitting, at the same time as the conference or before, another committee of reliable citizens of Canada to study what we can do for the rehabilitation of the boys who come back from the war and for the rehabilitation of those who have not been to the war and are unable to find employment. We must first of all have a clear understanding of what we can do and what we cannot do, and I think it is time that serious consideration be given to this question and that definite steps be taken so that the people will know just what is being done to meet the situation which is bound to arise. I know what it is, Mr. Speaker, to work in the lumber camps of Ontario. I know what it is to drive logs down the river. I know what it is to work on the railways. I know what it is to be without a job and without a nickel; and while, as I said before, and say again, the first one to depend on is yourself, I think it is time that we should now have a definite programme for the development of Canada.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. ANTHONY HLYNKA (Vegreville): Mr. Speaker, since the outbreak of the present war the problem of Canadian unity has been a subject of many discussions, but in my opinion it still remains a topic which warrants further consideration on our part at this time.

The mover of the address in reply to the speech from the throne (Mr. Claxton), the hon. member for Selkirk (Mr. Thorson), and more particularly the hon. member for Bellechasse (Mr. Picard), have made brief references to the part which Canadians of non-Anglo-Saxon origin play in our national life. I propose to discuss, further, other important phases of this subject which so far have hardly been mentioned.

There are two prevalent views on this subject of Canadian unity. There are those who feel that there is greater unity in Canada to-day than there has ever been before, and there are also those who view the whole situation with suspicion and doubt. I am inclined to agree, at least in part, with the former, that the present war has unified our people more than ever before. Nevertheless there are some prevalent viewpoints which

in my opinion deserve the immediate attention of this house, and the sooner the situation is remedied, the better it shall be for all concerned.

Sir Norman Angell, world-renowned analyst of national and international affairs, has recently discussed, in his two articles published in the *Financial Post,* some of the reasons why he thinks Hitler has been successful in overrunning several European countries. He maintains that Hitler has used the age-old weapon of "divide and conquer" in the most masterly and subtle way. In the first place, he used this weapon to get control of Germany. He then proceeded to unify his own forces at home, and at the same time set out to create disunity and distrust among the democratic countries of the world. Having done that, he concentrated upon dividing the people internally, in countries he set out to conquer, by cleverly scheming and creating class and racial disharmony. One has little choice but to agree with Sir Norman's analysis in the light of what has happened in Europe. Alas, the unscrupulous fifth-column tactics are too well known as an integral part of the blitzkrieg machine which is threatening to destroy the very existence of our democratic institutions in the world. Let us make sure, then, Mr. Speaker, that there is no room in Canada for those who would seek to create disunity among our people by playing upon racial differences or racial superiority in our midst.

It is a well-recognized fact that there exists a greater unity to-day among all the peoples of the British commonwealth of nations than there has ever existed in the entire history of the British people. Since 1931, when by the statute of Westminster all the British dominions were granted equal sovereign rights, united only by their common allegiance to the crown, and each functioning as an independent unit, the bonds of unity have strengthened among all the dominions. They are now united on a voluntary basis. The British commonwealth of nations to-day is the greatest democratic unit in existence. This has been made possible only by the wise and tolerant British colonial policy towards its people of many racial origins and creeds. The British people to-day constitute, chiefly for this reason, one of the greatest powers the world has ever seen.

But our responsibility lies specifically here within Canada—we are assembled here for that purpose. The question before us is, how can we give maximum aid to Britain and at the same time be well prepared for our own home defence? At the moment I shall not discuss the material side of the question, because that has well been done by others on previous occasions. My chief purpose to-night is to discuss the question of our Canadian unity.

I believe we are all of opinion that Canada must be united to the utmost if she is to be effective in her aid to Britain and if she is to be prepared for her own home defence. The people within the borders of Canada must assume equal responsibilities as well as share equal rights and privileges. We must have only one purpose in mind; that is victory. In answer to all agents of disunity, let me say that we must eradicate all possibilities of disharmony and check all those influences which tend to cause disunion and build racial barriers within Canada. Then, and only then, will Canada be looked upon as a powerful nation.

But to our regret, Mr. Speaker, we find that certain individuals who hold responsible positions in our public life make loose and ill-advised statements which may easily be misconstrued and made use of as the basis or cause for disunity.

In the first place, let me make a passing reference to a rather loose statement made by the Conservative leader in the British Columbia legislature. While speaking in the debate on the address in reply to the speech from the throne he said, as reported in the Edmonton *Journal* of November 1:

> Planning for the period of readjustment which will follow the war and a vigorous stand against the "furtherance of foreign language or foreign creed in this country" were urged in the provincial legislature Thursday by R. L. Maitland, K.C., leader of the Conservative opposition.

And further it reads:

> Mr. Maitland deplored the existence of foreign language schools in Canada. . . .

There may be several interpretations of what the hon. gentleman had in mind, but my chief objection is to the fact that utterances of this kind throw an unfair suspicion upon our loyal Canadian citizens who happen not to be of Anglo-Saxon extraction. This may and does create disunity at a time when unity is most imperative.

Secondly, I should like to refer to an item appearing in the Edmonton *Bulletin,* in its issue of November 4. I quote:

> With the stress of war causing a widening of activities in the force, 500 new constables are being enrolled by the R.C.M.P. throughout the dominion.
>
> Because of rigid requirements in the way of both mental and physical qualifications, few as yet have been accepted.
>
> Applicants must be single of British racial origin.

Here again, the meaning of the words "of British racial origin" is vague. When interpreted broadly, it would appear to mean that any person born in any British dominion is eligible for enrolment, be he of Anglo-Saxon or any other racial extraction. But interpreted in a narrower sense, it would simply rule out the eligibility of all those not of Anglo-Saxon origin. Unfortunately, this narrower interpretation is being used by minor officials for the purpose of racial discrimination. I suggest that in future when the government is putting out circulars of this type, that a more specific choice of words be made.

Lastly, I should like to draw the attention of the house to a much more serious statement which appeared in the Saskatoon *Star-Phoenix* of October 8. Mr. G. W. Parker, relief officer of Saskatoon, commenting on the administration of relief, is reported to have made this assertion. I quote in part:

> There should be two scales of relief, one for central Europeans and one for "white people."

This, I submit, Mr. Speaker, is a vile form of racial discrimination. I challenge the authority upon which Mr. Parker bases his classification of people, in saying that central Europeans do not belong to the white race. I also question the mentality of those who would propose a higher scale of relief for one group of our citizens and a lower scale for another.

Probably the most notorious example of this same attitude of racial discrimination as well as higher and lower rations is exemplified in Hitlerian philosophy. We all know what that attitude of mind has brought upon us; let us, then, not have anything to do with it in Canada. No one who takes the attitude that this man does is fit to hold public office. In our country, where approximately half the population is of non-Anglo-Saxon extraction, ideas of this kind and at this time of national crisis should not be tolerated. It is about time some of our public men realized that they are nothing more than public servants hired to serve the people. I suggest that the defence of Canada regulations should also be made to apply to individuals who deliberately make malicious statements which cause dissension among our people.

I am happy, however, to be able to reply to the above and other would-be critics, on the authority of some of our eminent public men. Fortunately the great majority of our public men are much more broad-minded. It is gratifying to find that sincere efforts are being made by this government to bring about among all our people, of whatever racial origin they may be, a better understanding and singleness of purpose.

Some members on this side of the house have criticized the bureau of public information for being too partisan. I think that criticism is well founded. But so far as unity of our people of different racial origins is concerned, I believe that this bureau is rendering an invaluable service by publishing from time to time translations of articles appearing in the non-English press in Canada. I do not know of a better way of passing on to our Canadian public material which appears in Ukrainian, Czech, German and other publications. It helps to clear up a great deal of misunderstanding which may exist with regard to the stand these groups have taken in connection with the war. It is to be hoped that in future the press will take a greater advantage of this fine service.

I have not the time to quote many of these translations; let it suffice to give the house one short extract. But before doing so, let me quote the head-note by the director of public information, Mr. G. H. Lash, introducing one of these articles:

> Note to editors: In view of the misunderstanding which seems to exist in some parts of Canada respecting the attitude of the foreign-speaking sections of our population towards Canada's war effort and our war aims, the following translation of an editorial which appeared . . . in the German language newspaper *Der Nordwesten* is interesting. Nobody recognizes better than myself how precious newspaper space is these days, but if you could find room to reprint or to comment upon this editorial and others which I hope to send you from time to time from other foreign-language newspapers of Canada I think you would be making a fine contribution towards the development of national unity.

The following quotation from the above-mentioned newspaper was translated and reprinted in the circular of public information in the issue of October 10:

> The war has created the spirit of unity among Canadians of every race and creed such as this country has not known. The full meaning of our Canadian citizenship is better understood, and if there be the few who do not value its privileges, it must be apparent to them that this land has no place for them.
>
> The people of Canada of whatever racial origin have one supreme duty—the winning of the war, and to that end there must be a complete unity in our land, and a determination to give and to sacrifice. And from the grave situation which has been thrust upon us by those who would destroy our way of life, we shall emerge a better people and a greater Canada.

That, Mr. Speaker, is a sample of material which is being translated and reprinted in these circulars. From that I would judge that there is a good-will on the part of all our

Canadian citizens, regardless of racial origin, towards a common understanding and national unity.

While discussing the subject of Canadian unity, I feel that I would not be doing justice to the topic if I did not refer to Doctor Watson Kirkconnell, who is undoubtely Canada's greatest authority on our population of non-Anglo-Saxon extraction. Doctor Kirkconnell has been for many years a keen student of all our racial groups. It is only to be regretted that this government has not, as far as I know, used Doctor Kirkconnell's exceptional talent in the interest of our national unity. I would recommend to hon. members to read, for example, Doctor Kirkconnell's recent booklet, entitled "The Canadian Ukrainians and the War". It is well worth reading.

Here is an interesting extract from the London *Free Press* reprinted in the Ottawa *Citizen* of October 31, regarding Doctor Kirkconnell's contribution. To me it is an encouraging bit of information.

> According to Doctor Watson Kirkconnell of McMaster university, who is Canada's greatest authority on our foreign population, Herr Hitler has done more than any other man to draw Canada together and to unite the dominion. Despite intensive propaganda which was carried on in Canada by Berlin, Moscow and Rome, Doctor Kirkconnell says that more than ninety-eight per cent of the peoples of alien birth are loyal to Canada to-day, and are enthusiastically lined up behind the British effort. . . .
>
> In most cases the nazis overran their home countries, while they realize that the freedom and liberty which they came to this country to seek will be lost if Hitler wins. Doctor Kirkconnell gave as one example the Ukrainians. He pointed out that in Saskatchewan they form ten per cent of the population, yet over ten per cent of the enlistments in that province are from peoples of Ukrainian stock. The war has brought English and French closer together, and it is optimistic to learn that it is making for national unity among those who are not of French or Anglo-Saxon origin.

In closing, may I sum up the whole problem of our national unity by quoting from one of Canada's greatest statesmen, who was a friend of all the Canadian people. He worked hard for Canadian unity and was a man who understood even the simplest soul in our land. I speak of Lord Tweedsmuir.

While addressing a large Ukrainian gathering of 1,500 people on September 21, 1936, at Fraserwood, Manitoba, Lord Tweedsmuir spoke in such a way that even to this day those who heard him hold sacred the ideas he expressed. On that happy occasion the hon. member for Selkirk (Mr. Thorson) was present. I crave the indulgence of hon. members while I read a part of that great statesman's short message. I would suggest that they follow this masterpiece. Many hon. members find themselves at a loss at times, when they have to address a gathering of people of some other racial extraction. This is a wonderful example of an address to such a gathering, and is one of the most interesting short speeches I have ever read. These were the words uttered by Lord Tweedsmuir:

> I thank you most warmly for the way you have received me to-day. I do not think that anywhere I have gone in Canada I have been welcomed with a more beautiful ceremony; your escort, your national ceremony of presenting me with bread and salt, and if I may be allowed to say so the beautiful and well chosen words of your address.
>
> I realize that my welcome is due to the fact that I represent your king, and it will be my pleasure to convey to the king the cordial greetings of the Ukrainian people in Canada.
>
> I am very happy to be among you to-day. I am among people who have behind them a long historical tradition, for it was your race which for centuries held the south eastern gate of Europe against the attacks from the east. I can well imagine that this country is home to you, for these wide prairies are very like the great plains of south eastern Europe from which you came. During my tour of the prairies I have come across many of your people, and I am glad to see that in a short time you have come to be a vital element in the Canadian nation. You played your part in the great war. To-day I find your sons in the permanent and non-permanent militia.
>
> Wherever I go I hear high praise of your industry and hardihood and enterprise even under the most difficult conditions. You have become good Canadians.
>
> Every Briton and especially every Scotsman must believe that the strongest nations are those that are made up of different racial elements. The Ukrainian element is a very valuable element to our new Canada. I wish to say one thing to you. You have accepted the duties and loyalties as you have acquired the privileges of Canadian citizens, but I want you also to remember your old Ukrainian traditions—your beautiful handicrafts, your folk songs and your folk legends. I do not believe that any people can be strong unless they remember and keep in touch with all their past. Your traditions are all valuable contributions toward our Canadian culture which cannot be a copy of any old thing—it must be a new thing created by the contribution of all the elements that make up a nation.

That was the outlook of a great man who understood the people. I think it would be worth while to compare utterances such as I quoted in the first part of my address with the sentiments to which I have just referred.

Let me say, then, that in this crucial and historic moment every Canadian, whatever may be his racial origin, must hold dear the principles for which the British flag stands, namely liberty, without which there is no true life; justice, so essential to all people, and fair play, which makes life worth

living. In the name of all these things, Mr. Speaker, let us unite and work in harmony for the good of Canada and a brighter future for all our Canadian people, regardless of racial origin.

Mr. W. A. TUCKER (Rosthern): First of all, Mr. Speaker, I should like to extend my congratulations to the young member (Mr. Hlynka) who has just taken his seat. As a Canadian of British origin I should like to express my support and appreciation of what he has just said and what he represents to Canadian life to-day. I have been told by people who accompanied their majesties across Canada that the most moving episode of the whole trip was the welcome they received at Melville, where practically everyone was of other than French or English-speaking origin. I suppose those of Polish, Ukrainian and German origin predominated, and I am told that there the outpouring of affection for the head of our country and our commonwealth was such that it moved even the most staid and cynical newspaperman. Many people had come there, after a journey of perhaps a day, to look at their sovereign, and it was said that there was such an evident spirit of affection that among those humble people many had tears in their eyes that they should have the privilege of meeting their king and queen.

Then we hear of such utterances of racial hatred and discrimination as were quoted by the hon. member for Vegreville. We try to think those who are guilty of these things are endeavouring to be good citizens. The gentleman, Mr. Parker, mentioned by the hon. member is a returned soldier who served in the last war. I am certain he wants to be a good citizen and do his best for Canada, but I am at a loss to understand the psychology of such a man. Here are people who have left their own country, who glory in the freedom they find here, who intend to live and die in Canada, who expect to bring up their children to be good Canadian citizens, who to-day in Saskatchewan are enlisting for the defence of their country to a greater extent than might be expected from the portion of the population they represent.

In fact, of the first two young men from my constituency to give their lives in this war in the service of their country, in the sinking of the *Fraser*, one was of Ukrainian origin. Then, in almost the same issue of the newspaper that announced his death, we had the statement referring to these people of Ukrainian origin as not being "white". That Ukrainian mother laid her most precious possession upon the altar of freedom; then, after making that sacrifice she had to hear that statement made by a fellow-Canadian of British origin. It was cruel. So with all my heart I support what the hon. member for Vegreville has said to-night; that sort of thing should have no place in Canadian public life.

As I have said, I have no doubt that this gentleman, Mr. Parker, meant well. He served his country in the last war. To him and to all other Canadians of English and French origin who want to serve their country, as I know every returned soldier does, I say that he should consider whether he is really serving his country in giving utterance to such ideas. In the constituency of Rosthern, as I have said before, there is a large number of people of the Mennonite faith. They are partly of Swiss and German origin, but predominantly of Dutch extraction. There is a tendency on the part of a few returned soldiers to suggest that these people should be barred from the normal life of this country.

When people were being named to look after the national registration, a protest was made to Ottawa that too many Mennonites were being made registrars at a place called Aberdeen, where the people are entirely of that persuasion. I had the matter looked into, and this is what I found. I found that in that whole Mennonite district where the recommendations were made by Mennonite people they respected the claims of returned soldiers. Wherever there was a returned soldier in the district able or willing to do the work, he got the job. But there was one district in which there was no returned soldier who could be procured to get the work, and so a fine Mennonite citizen was named to do the work there. He was the only Mennonite in the whole district named to act as a registrar; his oldest son is serving in the Canadian active service force. I say: Who are these patriots who think they best serve their country by pointing the finger at a man who is appointed to take charge of this work, a man whose eldest son is in the fighting services? He was the only Mennonite in that district actually named to act as a registrar, and yet one or two thought they were doing right by attacking me because I believed that all people, regardless of racial origin, should be treated on the same basis.

I took the attitude that a mistake was made at the time of the last war when Canada said to these people that they should not have the vote, and thereby were not treated as citizens. As a result they naturally did not feel under the same obligation to serve their country. The attitude I have taken at this time is that every Canadian, every man, no matter what his racial origin may be, shall be regarded as a good Canadian and shall be expected to make his contribution to the country's great cause.

The question respecting Mennonites serving in the armed forces of their country is one with which I probably should deal at this time. As we know, it is against their religion to bear arms. I do not believe there is one member in the house who would say that we should interfere with people's religion. In the regulations it has been stipulated that the training of Mennonites and Doukhobors shall be indefinitely postponed. But there was no suggestion that they should be deprived of the vote; they were to be treated as full-fledged citizens.

What do we find to-day? We find that within the last ten days representatives of the Mennonites of western Canada, the Mennonites of Ontario, the Quakers in Canada and the Tunkers came to Ottawa to interview the ministry of national war services to say to that department that while they do not believe in bearing arms, they are prepared to go into any branch of the service of their country where they could help to save life, where they could help the wounded, and for other services of that kind. It did not matter to them whether it was dangerous work or otherwise. All they ask is that they shall not be asked to bear arms; and they have asked, too, that their operations should be under civilian auspices. So long, however, as they serve humanity, they do not care whether their work be dangerous or otherwise.

They appreciate the rights of citizenship in Canada. They wanted to show their appreciation, and they were not trying to get out of doing their full share. All this was done after the government had exempted them from military service. The people represented by this delegation do not want to be exempted from doing their share. Here we have a group of non-English-speaking and non-French-speaking origin, a group which wishes to act as a group of good citizens. They are ready to serve their country, even to the extent of risking their lives. Is it not wise statesmanship, and good business, if nothing else, to let those people know and feel that they are accepted as full-fledged citizens?

I have in mind, for example, those people in western Canada who are of German origin. I claim—I am absolutely satisfied—that the overwhelming majority of those people are absolutely loyal to Canada and the British empire. But if people are going to suggest continually that they should be deprived of their rights, that they should be discriminated against and treated as if they are something less than citizens, what will the effect be?

Hitler teaches to the German people that they never will be accepted as full-fledged citizens in any country not under the German reich, and that the only way whereby in America or elsewhere they may be treated as full-fledged citizens is by their backing of his government, so that Germany may rule every country. He points out that it is only by that method that they may become full-fledged citizens. Well, if by mistreatment and discrimination we bring about a condition whereby, even if they have lived in this country for one, two or three generations, the fact that they happen to have German names will preclude them from obtaining full citizenship, I suggest that we are playing right into the hands of Hitler, and substantiating his teachings and propaganda. So I say to my returned soldier friends and colleagues, Realize that if you attack a people who want to be loyal, a people who are loyal, just because they have German-sounding names or names of non-French or non-English origin, you are tending to make an enemy of those who want desperately to be friends. And to-day in this crisis of the world we need every friend we can get. You are not strengthening our cause by trying to treat as enemies those who want to be friends and loyal citizens.

These observations bring up another point with which I believe I should deal at this time. I am afraid I shall not be able to touch on all the matters with which I had intended to deal, but I shall proceed to discuss this one because it is along similar lines. It has to do with our fellow Canadians, our French-speaking Canadians. I have noticed a tendency on the part of many English-speaking Canadians to admit only grudgingly outside of Quebec the rights of French-speaking Canadians.

By the pact of confederation it was laid down that there should be two official languages in Canada—not only in Quebec, but throughout the country. This is a bilingual country, and I am satisfied that we will not get real unity if we, after making a deal, as we did at the time of confederation, try to whittle it down and to back out of it. Sometimes I have marvelled at the toleration and the willingness of French-speaking Canadians to forgive and forget the continual attempt on the part of some English-speaking Canadians to whittle down the rights the former obtained under the pact of confederation. I suggest it is of the very genius of the British people that, having first of all made a deal, they should live up to it one hundred per cent, and that above all they tolerate and respect the wishes and just rights of minorities—especially when those minorities, through fair days and foul, have shown themselves to be loyal, to their hearts' cores.

Why is Canada British to-day? That is a question which has been asked on the floor of this chamber. When the Marquis de Lafayette came over to assist in the fight for independence of the United States, and sent

his delegate to see the French-Canadians who only recently had passed under British rule, he was told that they were well content to remain under British rule, and had no desire whatever to join the revolting colonies to the south. Had they been disloyal at that time and had they regarded lightly their allegiance to their sovereign, they had their chance then to show their lack of allegiance; but they did not take it.

Again in 1812 had they gone against the British crown, this country would have been lost to the British empire. We then come to the revolution of 1837. That was a fight for responsible government, and there was no more desire in lower Canada to get away from the British crown than there was in upper Canada. Then we come down to the days of the great war, when, in spite of provocation French Canada stood behind the war effort of this country, and sent some of her best sons to give their blood for Canada on the soil of France; and there they lie to-day.

In this war there has been unity such as has gladdened the heart of every true Canadian. Bearing all that in mind, let us show these fellow citizens of ours who speak a Canadian language just as we do, that we do not want to take away from them some of their rights, that we respect them fully and that we are prepared to go half way to meet them in carrying out fairly the pact of confederation.

In this connection I should like to deal for a moment with the question of radio broadcasting. When a suggestion is made, many of us are apt to say that we agree with it, but when it comes down to actually agreeing to carry out the proposal, there is often a tendency to hang back. It is with that tendency that I wish to deal to-night. One of the things I should like to see accomplished is the setting up in Canada of one of the most powerful shortwave radio broadcasting stations in the world. Over one of the wave-lengths controlled by that station I should like to see broadcast the best programmes from Quebec so that they could be heard by our French-speaking fellow citizens in western Canada. They are entitled to hear programmes in their own language. These programmes would also be heard in occupied and unoccupied France.

Not long ago I had the privilege of listening to a speech delivered over the radio by the Minister of Justice (Mr. Lapointe). I was thrilled and proud to think that he was a fellow citizen of mine. But that speech was broadcast only once. We all know the dangers faced by the citizens of France when they try to listen to foreign broadcasts. Naturally the nazis knew that this speech was being broadcast, and it would have been particularly dangerous for any French citizen to have listened to it. If we had had a powerful shortwave station, this speech could have been broadcast nine or ten times in order to be sure that every Frenchman on the continent of Europe could have an opportunity to hear this call to fight for freedom. What would be spent on such a shortwave station would be of far more value than ten times the amount spent upon arms.

Let us face the fact that Hitler has gained his victories largely by the use of propaganda. We should be able to send appeals from the French-Canadians on north American soil to Frenchmen in Europe. No one will ever know but what the appeal of the Minister of Justice to Marshal Petain may have had something to do with the breaking down of the scheme to get France under the control of Germany. If that is so, then that speech was worth almost a whole army corps. I ask the government to consider this, to realize the power we would have of heartening the French people, of calling on them to be of good cheer, of telling them that we know that France will yet rise again in all the glory of freedom, that it is not her destiny to languish forever under the nazi heel.

There was another speech delivered not long ago which I wish every Frenchman could have heard. This was delivered by that great Canadian statesman, the premier of Quebec. How his words would have thrilled the French people and heartened them against the dark days yet to come! He said:

> To France, French-Canadians would say: "Mother, thou art not dead. You live in our blood and in our minds. And you live in the minds of those who understand you. We all know that the hordes of Hitler and Mussolini have not been able to tear out your soul and that you but await our victory, the victory of the British nations and their allies, to again take your place amongst the nations who are bearers of light."

Would it not have been a fine thing to have broadcast that speech several times each day for two or three days so that every Frenchman in France might have had an opportunity of hearing it and knowing that here in Canada were people who intended to stand by France until once more she was free?

Such a radio station would help our foreign exchange position. It is intended to send people to South America in order to encourage the people of those countries to come to Canada for a visit—to trade with Canada. For every man that such delegates will meet, a shortwave station would reach thousands. Over such a station it could be broadcast that although we are at war there are no difficulties about travelling in this country. In the past many of these people have spent their money upon travel in Europe, but we

should endeavour to encourage them to come to see Canada. We should be able to build up a tremendous tourist trade, and I have no doubt that the money made from such a trade would pay for the shortwave broadcasting station in one year.

There is the question of trade with the United States and the tourist traffic from that country. We know that last year Germany tried to destroy our tourist trade. We fought against this as best we could, but we should have been telling the people of the United States over a shortwave station all about the attempts that were being made to sabotage our war effort by destroying our tourist trade. I see my time is passing and I have used nearly all my allotment in dealing with this one subject. I think, however, its importance justifies my doing so.

For a moment I should like to refer to station CBK, the Canadian Broadcasting Corporation transmitter for western Canada. This station broadcasts a total of 115 hours a week. The length of the bilingual programmes is three and one-sixth hours, while the French part of the bilingual programmes occupy only one-third of an hour, or twenty minutes. The time spent in broadcasting French programmes for the whole week is only three hours, out of the 115 hours, or 2·6 per cent. If there are English-speaking people who do not want to listen to more French than this, if more were put over, they can tune in on some other station like CKCK. They should not contend that there should not be more French broadcasts over CBK, because they do not have to listen if they do not want to. This would give our French-speaking fellow citizens a chance to hear a little bit more, a fairer amount of broadcasting in their own language.

Here is something which is most important. The time spent daily in broadcasting news in English over CBK is 158 minutes, whereas the time spent in broadcasting the news in French is only five minutes. The English news is broadcast seven days in the week while the French news is broadcast only five days in the week. An increased use of the French language over this station should be made to meet the wish of our French-speaking fellow citizens. I think the Canadian Broadcasting Corporation should be asked to look into the situation. I do not think they are treating our French-speaking citizens in western Canada quite fairly when they give them only that proportion of the total time on CBK.

There is another matter. While a shortwave broadcasting station would be a good thing, there are in western Canada a good many people who cannot afford a radio of any kind whatsoever, and even less a shortwave receiving set. This means that if you are going to reach many of our people you have to put the programme over from the ordinary broadcasting station. I think the work that has been done in enlightening our English-speaking people on matters connected with the war and how we are carrying out our part in the war has been exceptionally good. But there are many people in western Canada who do not understand English very well. Yet they are good citizens, anxious to help in the war. They have been subjected, the people, for example, of German-speaking origin, to consistent nazi propaganda before the war.

The *Deutsches Zeitung fuer Kanada,* subsidized directly from Germany, was sent out from Winnipeg to mailing lists all over western Canada, and our people there, not being very well off and not being able to afford very much in the way of reading material, were subjected to this lying propaganda week after week, and yet they did not succumb to it. Here we are putting over to the English speaking people of the west the story of our war effort and the justice of our cause, but there seems to be the feeling in the minds of some of those in charge of the broadcasting corporation that if you put over a broadcast in German, somehow it is going to do some harm. Because of that, great chances to enlighten some of our people have been missed.

We had German refugees from Czechoslovakia, German refugees from Austria and from Germany itself who should have been put on the radio and permitted to tell their story in German to people of German origin in western Canada—the whole story of nazi oppression in Europe in all its horror. Would that not have been worth while? Would that not have been reaching people that it is important to reach? They are fellow-citizens and it is important that they should see the justice of the cause in which we are engaged. I submit that while we should, of course, carry on our programme of reaching our English-speaking citizens, we should take some steps to do a measure of justice to our French-speaking citizens, and then for the sake of promoting unity in Canada we should put over broadcasts in other than French or English to explain to those who are not French- or English-speaking citizens of Canada what is happening over in Europe.

There are people in the town of Rosthern who have not been very long in this country and who do not understand English very well. The only way in which they can

hear German over the radio is if they manage to tune in on a German programme from London or Berlin. I venture to say that there are probably ten times as many people of German-speaking origin in Canada as there are in England, yet in England they do not think it is going to harm the British empire to put over the air speeches in German from the British broadcasting headquarters. How much more important for the unity of Canada that we should realize that it would be in the interests of Canadian unity to put over from time to time some speeches from good Canadians in German, Polish, Ukrainian and so on!

There is one matter which perhaps I did not make plain and which I should like to make very plain at this time with respect to what I have said about people like Mr. Parker and other returned soldiers. I am always ready to realize that they, like all of us at times since the war started, have been so worried about the very existence of our country and about the existence of the British empire in this time of peril, that, not understanding the true loyalty of our people who are not of English or French origin, they have been inclined to suspect them. I know that these gentlemen are acting with the best of intentions, and that is one of the reasons why I have spoken as I have to-night, to beg and beseech them not to play into the hands of Hitler, but to recognize these people as good Canadian citizens and to hold out the hand of friendship to them rather than throw suspicion on them.

There were many subjects with which I wished to deal to-night, but perhaps in this time of stress the question of Canadian unity is more important than almost any other. There is, however, one further matter with which being a pseudo-financial expert, I shall take a minute or two to deal.

The Minister of Finance (Mr. Ilsley) dealt with two things in particular, to which I should like to refer. I should like to read what he said:

> I believe that the tax programme of the government has been and will continue to be such that some additional financing of a short-term character, accompanied by some increase in total bank deposits, will not under the circumstances have inflationary results, and will, I believe, avoid undue stringency in the monetary field at a time when the working capital requirements of industry are increasing because of expanding business activity due to war orders.

That bears out what I and what many other Canadians have been contending for ever since the war started, that there should not be too stringent taxation or too stringent borrowing until we get our economic machinery running at full blast, and then it can more easily carry the burden of taxation necessary to finance the war. I think it was for this reason also that the last war loan did not go over as well as it might have done. It was because we did not permit our whole economic machine to expand to full capacity before we began to crack down on it. It is not going to increase our strength as a nation to close up, for example, our automobile industry if we are not prepared to put all those people at work making munitions of war; in fact it is going to hurt our economic machine by throwing thousands out of work. The matter must be so handled that we build up our economic activity to its full height and then gradually, as needed, turn over our industrial machine to the task of making munitions of war.

I am glad to see that it is proposed to embark on a policy of some credit inflation in order to enable this nation better to bear the war burden.

There is another point in the address of the Minister of Finance with which I wish to deal briefly. I shall read what the Minister of Finance said about it because it is a matter of grave importance. He said:

> In deciding to undertake some additional short-term financing, the government also had in mind the fact that the major portion of the new money which will have to be borrowed prior to next summer will be required for the activities of the foreign exchange control board. It has been decided that the board will finance the repatriation programme to a greater extent than it has in the past, and additional funds will be necessary for this purpose. You will recall that the process of repatriation involves the temporary accumulation of sterling balances by the foreign exchange control board, and these balances are later used to acquire Canadian securities held in the United Kingdom.

As I understand what is proposed there and what is actually happening to-day, it is that through the repatriation of Canadian securities money in the form of purchasing power in Canadian dollars is made available to Great Britain to purchase goods in Canada. Great Britain has caused the people of that country to turn over to the British government the Canadian securities they hold in order that Great Britain can turn round and sell these Canadian securities in Canada and with the proceeds pay in Canadian dollars for what she purchases in Canada.

So far as I understand it, the only purchases so far that we permit Britain to make in Canada are those which she is financially able to make through the exchange available to her by virtue of the goods she has shipped to Canada and the securities which have been repatriated in the manner I have

described. If that is all that has been done, have we treated Great Britain in any different way from the way in which she has been treated by the United States, or the Argentine, or any other foreign country? While she has had the proceeds of her exports with which to buy in Canada, we have sold to her. While she has had the securities with which to procure Canadian dollars, we have sold to her.

We are now told by the Minister of Finance that, pending the disposal of her Canadian securities in Canada, the operation will be financed for the time being through this short-term credit programme. I am glad of that, that Great Britain is not going to be prevented by a lack of Canadian dollars from buying in Canada. But apparently all we are doing is lending, temporarily financing; we are not doing any more. That is quite a bit short, Mr. Speaker, of what was done by Great Britain for France before France's downfall. Great Britain put at the disposal of France all the pounds sterling that she needed to make any purchases which she required in the British isles. France did the same in francs in France with Great Britain, and they agreed that there would be a settlement after the war. This meant that money did not stand in the way of Britain helping France or France helping Britain. And I ask this, that consideration be given by our government to some similar policy. We must not be told that the limit of our assistance to Great Britain is what Great Britain is able to buy with her goods and her securities. Surely we are not going to stop at any such limited degree of assistance.

Furthermore, Mr. Speaker, the British government, having taken over the securities, sends them here. They will have to be disposed of in Canada to realize Canadian dollars to the credit of the British government in order that they can make purchases in Canada. As a member of the banking and commerce committee I should like to know how these Canadian securities are being disposed of, or to be disposed of. In this time of crisis, are the needs of the British government such that they are being forced to sacrifice Canadian securities because they need the money? There is only a small group of Canadian financiers who have the money necessary to buy those securities. To what extent are we protecting or do we intend to protect the British investor or the British government by seeing to it that a small group of Canadian investors are not making a big profit at the expense of Great Britain?

I am not saying that this is or is not the case. But I do say this, that all too little use is being made of the private members of this parliament. When I consider the speeches made in this house, led off by the hon. member who moved the address in reply (Mr. Claxton), seconded by my young friend, the hon. member for Provencher (Mr. Jutras); when I reflect upon the high-class speeches which they made on that occasion, their clearness of mind and their all-round ability; when I observe, as I get to know hon. members of the various parties, the ability represented in this chamber and their competence to serve their country in this time of crisis, I ask myself, is that ability being harnessed? We feel that what is happening is this. Experts—so called—are being called in to advise the members of the government. Sometimes they are experts and sometimes they are not. In that connection we have heard the definition of an expert as a man who does not know very much, far away from home. A policy having been decided upon, with the assistance of those experts, it is brought down to this house, and hon. members—well, I will not say what they have to do.

Mr. HANSON (York-Sunbury): Swallow it.

Mr. TUCKER: I submit that parliament would be discharging its functions if, for example, in connection with this question of finance, the banking and commerce committee were asked to sit and the report of the Bank of Canada referred to it for examination, with all other matters having to do with the financing of this country's war effort and the financing of assistance to Great Britain —all these things laid before that committee, with the right to call experts and to decide, in the light of the evidence given by those experts and the views of hon. members representing all parties in the house, as to the best way that the financial resources of this country could be harnessed. That, Mr. Speaker, would be true functioning of democratic government. The members of parliament would be given a chance to judge and advise the government as to whether those experts were really expert or whether they were, in their opinion, fakes. I should like to see the banking and commerce committee given a chance to examine as to what is being done with the securities which are being taken from the British people in their hour of need and sold here in Canada. Does any single hon. member on the floor of this house know how these securities are being disposed of? Does any hon. member know whether the British investor and the British government are getting a completely square deal? We hope so, but do not know. Is my time up?

Mr. POULIOT: No. Go on. Good stuff!

Mr. TUCKER: I suppose, Mr. Speaker, you will call "time" when it is up. I have lost track of my time.

An hon. MEMBER: Carry on.

Mr. TUCKER: I suggest that the Bank of Canada should make available all the Canadian money needed to pay a decent price for the securities in which the people of Great Britain have invested in the past; that these securities, instead of being thrown on the market—I suppose they try to get the best price possible for them, but this is not a good time to dispose of securities of that kind—should be dealt with in this way. A credit should be granted by the Bank of Canada to the British government, representing a fair price for those securities, which would become the property of the bank. Somebody may say, "If you pay out Canadian dollars from the Bank of Canada in the sums necessary to buy those securities, you are going to expand the basis of your credit structure to that extent and inflation will follow." My answer to that is that I am satisfied, and I feel it cannot be contradicted—I should like to get the experts in front of the banking and commerce committee and see if they can controvert it—that as you put out more and more Canadian money to re-vest those securities in the people of Canada, to whom they should belong, at the end of the war, you could gradually increase your reserve requirements, if you saw that it was resulting in inflation.

To-day by law the banks are required to have on hand $1 in Bank of Canada notes or Bank of Canada deposits for every $20 they owe their depositors. As a matter of practice the Bank of Canada require them to have on hand $1 for every $10 they owe their depositors; they ask them to have twice as much on hand as the law requires. There is nothing wrong with that. But if the Bank of Canada can require them to have on hand twice as much as the law requires, what is to prevent the Bank of Canada, if they saw any sign of inflation, saying to the banks: We require you to have on hand not $1 for every $10 but $1.10, or $1.15, or even $2 or more, for every $10.

In other words, they can absolutely control the situation. They can gradually increase the cash base for the commercial banking system of this country. They have a tremendous leeway. Until we get to one hundred per cent credit base, the Bank of Canada can put out well over a billion dollars. If that were done, and carefully watched by the Bank of Canada, as it could be watched, at the end of this war, instead of private investors in this country buying up Canadian securities that were once the property of Britishers who had faith in the future of this dominion and invested in it, and perhaps getting those securities for less than they are worth, the Bank of Canada, representing the people of Canada, would own about a billion dollars' worth of Canadian securities on which it would earn interest and for which Britain had been paid a fair price.

Perhaps some hon. members may say that is impossible. When a great refunding transaction like that is going on, if we are to do our duty by the Canadian people we as members of parliament have a right to ask our financiers what is going on and ask them why this cannot be done. So in all earnestness I ask that the banking and commerce committee be set up to examine into the financial transactions that are taking place in this country. Who has more right to look into those transactions than the members of that committee, representing the common people of Canada? We still have self-government in Canada, thank God. We are not ruled by the financiers, we are not ruled by the manufacturers.

In any particular sphere this house is entitled to full information through its committees. So I suggest to the government that the banking and commerce committee be called together as soon as this house reconvenes, with full power to examine into that field of finance and the financial transactions that are taking place. Representing as it does the people of all parts of Canada, labouring people, farmers and so on, representing all parties in the country, if it was able in times past to arrive at good solutions, in this day of crisis, when every member of this parliament is anxious to do all he can for his country, it will get together in a non-partisan spirit and among the fifty members of that committee there may be at least one who will have an idea that is worth putting up to Mr. Towers and his expert advisers. At any rate it will give a chance to everyone on that committee to make suggestions as to the conduct of the financial policy of Canada. It is the right of this House of Commons to ask for that, and I ask for it to-night.

There are other matters I wanted to deal with, but I realize that my time is up. Before concluding, however, I should also like to ask that a committee be set up to examine the wheat problem. That problem should be referred to the agriculture committee which can have experts brought before it to make their suggestions and have them examined by hon. members from all sections of the house, and the committee can then report its conclusions to the government.

Let me say that I would not want anyone to think that I am dissatisfied in any way with the successful manner in which the government have organized this country for its war effort. I am proud of the way in which our ministers of national defence, all three of them, have directed our war effort. I glory in the way in which our Minister of Munitions and Supply (Mr. Howe) has organized the arming of our nation for war. But there again I make a suggestion. Various people have been put in important positions in which they control the whole industrial and economic life of this dominion. There should be a committee of this House of Commons to look into what is being done in that sphere and satisfy itself that it is being done properly. In other words, I ask that the members of this House of Commons be permitted to go to work to help the government win this war. We were elected to help run this country, not someone called in from Vancouver and someone else from Halifax. Some of them, I understand, could not get elected to this house no matter how they tried. They are all right—good men have been chosen—in their place as advisers, but this house has the right to see if they are as expert as they are supposed to be and to advise the government as to their work.

There are many other members of the government of whom I could say how much I think of their work, but I shall conclude with the Prime Minister (Mr. Mackenzie King) himself. I believe that his work in the realm of external affairs of this country will go down in history as the finest ever done by any prime minister. He has made an enormous contribution to the safety and security of British commonwealth of nations. To win this war it was all-important that we should have the help of the United States of America. In acting as interpreter and bridge between the United States of America and Great Britain, and helping to bring them together, our Prime Minister has done a work that this generation probably is not able to appreciate; but when history comes to appraise it, the Prime Minister will take a very high place and be greatly deserving of his country's undying gratitude.

The Ogdensburg agreement that he negotiated with the President of the United States was the culmination of a sustained effort. I happen to have seven children; I am proud of them; when I heard that the Prime Minister had made an agreement with the president of the great republic to the south that if Canada were attacked we could rely on the resources of the United States to help us in driving back the invader and protecting our homes, when I went to bed that night I thanked God that that agreement had been brought into existence by the Prime Minister and the President, because I felt that my children were safer in our home than they otherwise would have been.

As I listened at this session to the declaration of the Prime Minister as to our war aims and the way in which Canada intends to meet the crisis, I say in all humility I thought it was the finest declaration of war aims and the noblest statement of the spirit in which our people should go forth to meet this present challenge to us and to civilization and freedom to which I had yet listened.

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, this debate has brought out many constructive ideas, and I sincerely hope the government will act upon them. The hon. member who just took his seat (Mr. Tucker) made one or two very good suggestions. I think he rather spoiled his speech with his last few remarks, but the first part was excellent. As a member of the banking and commerce committee I agree that this committee should take up the question of the sale of securities when the house meets again after the recess.

The hon. gentleman also mentioned radio broadcasting. I have tried to obtain a copy of a speech which was made in the British House of Commons with regard to broadcasting. I have not been able to secure that speech, but I know its contents. It was stated that Hitler first used the radio to lower the morale of the people of the countries he wanted to invade. At the present time I understand that he has under his control over 170 short-wave stations, including those of Norway, Sweden and Denmark, some of which broadcast in English twenty-four hours a day in an endeavour to break down the morale of the English people, but that will not be broken. Speaking of radio, I wonder whether something could not be done to prevent a certain German commentator from broadcasting to this country. Even some of our Canadian stations are carrying these broadcasts, and we do not know but what in those broadcasts there may be hidden code messages to his fifth columnists in this country or in the United States, because every word this man says is first checked by the greatest double-crosser of all times, Hitler himself.

I have some questions which I should like to ask the Minister of National War Services (Mr. Gardiner), who I am sorry is not in the house at the moment. First, I should like to ask if any complaints have been received with regard to employers not taking back into their employ men who had to go to training camps; and, if so, what action has been taken.

Then I should like to protest to this government because of the manner in which they have drawn up the rules and regulations concerning the trainees. In England there was an act passed concerning conscription, and that matter was fully debated in the house. I honestly believe that the question of training our men should be debated here. As the previous speaker said, we do get some good ideas here in the house. Give the members a chance to discuss these matters, instead of putting them through by order in council. In the United States the whole procedure in regard to training camps is laid down in their act.

I should also like to ask the minister whether, in the event of the training period being extended to four months, the men called up in the first three classes are liable to be called up again. Finally, what action will be taken with regard to those men, something like 1,500, who were called up for training and given transportation but who did not show up?

I should also like to know whether any complaints have been received by the Department of National War Services concerning the seizure of chattels belonging to men who have been called up for training, I mean chattels purchased under lien or conditional sale agreements. I am informed that in Chatham a seizure was made by a finance company. That matter is covered in the United States regulations; a short-term moratorium is declared, so that the soldier undergoing training is not liable for suit, debt, mortgage foreclosure, repossession proceedings and so on. I realize that the United States man is called up for twelve months and that at present the Canadian boy is called up for only one month, but I really believe something should be done at once with regard to this matter.

Then I should like to refer to the public information bureau. Every week we receive reams of mimeographed sheets, though I know for a fact that not half this material is ever read. As a matter of fact I saw one newspaper man throw one of these envelopes into the waste-paper basket without even opening it. He said, "Why read that stuff? I had that information a week ago." I rather think some of this material is of a political nature, because on the first page of one article I see the words "free speech." We do not even have free speech in this house.

Mr. McNEVIN: Why?

Mr. FRASER (Peterborough West): The other day the hon. member for Parry Sound (Mr. Slaght) called down the leader of the opposition (Mr. Hanson).

[Mr. G. K. Fraser.]

Mr. McNEVIN: That does not mean anything; maybe he deserved it.

Mr. FRASER (Peterborough West): Yes; that means we have not free speech. The other day the Prime Minister (Mr. Mackenzie King) said he felt the awful seriousness of the war. If that is so, I wonder why he has not tried to keep up the morale of the soldiers who are training in this country, many of them without proper equipment, by giving free transportation on the railways. In any event they should be given free transportation on their own railway. They have been paying for that railway ever since they were knee high to a grasshopper; every time they bought a stick of candy they helped pay for it, and even though they are in training they are helping to pay for it to-day. There is no reason under the sun why those men should not have free transportation. Of course such transportation would have to be within limits; it might be only on authorized passes and perhaps only three or four times a year, but they should have it. I do not think one hon. member would be opposed to that, or is there one who might be? I do not think so. I think all hon. members are for the soldier, and I am glad they are.

I have before me clippings from papers and magazines concerning free transportation. I shall not read them all, because I know that most hon. members have received some of them. There is one, however, I should like to read, and it is as follows:

> In response to an appeal that soldiers in active service ranks be given free transportation on railways the Hon. J. L. Ralston, Defence Minister, has replied that this is without precedent. Even Mr. Ralston must know that this is a most feeble excuse for refusing the enlisted men, whose pay does not permit such luxuries as travel on the people's railway.
>
> In this statement he is not entirely correct, for in Britain leave for soldiers is accompanied by free transportation to their destination. If precedent must be followed, here is precedent.
>
> We do not recall any precedent for Lieutenant Robert Davies and his engineering squad which removes time bombs at the danger of being blown to bits at any moment. Nor is there an established precedent for a mad rush to air raid shelters when enemy planes come overhead with their cargoes of death.

I have here an advertisement paid for by the Liberal government in Ontario, and at the bottom I find these words:

> Special request to motorists. When driving along highways these increasingly cold days and nights, give our soldier boys a ride.

Red tape can be cut. All that is necessary is that the Prime Minister (Mr. Mackenzie King) give the word. The soldiers throughout the country are waiting for that word,

and I sincerely hope that they get it before Christmas. I mentioned this matter in the house on June 28 and again on July 22. This is November 25; I wonder how much longer the men will have to wait.

Then, I believe we should do something in regard to insurance for the enlisted men. Perhaps we should have a committee of the whole house, or a select committee which would have the duty of dealing with the matter. Possibly the committee on banking and commerce could do it. One suggestion put forth is that five per cent be taken out of dependents' allowances and assigned pay, then the government put in the same amount, and that an insurance company or a group of insurance companies be given the duty of handling the insurance. After Great Britain has won the war and the soldiers return, they would have nest-eggs with which to begin life again. They would have something in the bank with which to start up business.

I am pleased to note that the Minister of Finance (Mr. Ilsley) has accepted a suggestion from this part of the house—in fact, he has accepted a number of them. I refer to the one whereby the income tax may be paid on the instalment plan. This suggestion was made during the last session, and I know it will be a great help to the taxpayer. In fact at the present time throughout Canada people are opening savings deposit accounts so that they may be in a position to pay their income taxes when due.

The Minister of Finance was good enough to accept that suggestion. I sincerely hope he will accept others which may be passed on to him not only at this session but during the recess. One suggestion I would make at this time is that tax-free bonds be issued bearing an interest rate of not more than one and a quarter per cent. In that way I believe we would collect large sums of money.

In moving the address in reply to the speech from the throne the hon. member for St. Lawrence-St. George (Mr. Claxton) suggested that the estimates to improve the tourist trade should be increased from $500,000 to $1,000,000 this year. I agree with him, but would suggest that we set up a committee to deal with the matter, and that the committee have the services of the director of tourist traffic, Mr. D. Leo Dolan, a most capable man, and one who will see that every dollar spent will bring back $100 or $150 in United States funds.

I find that $311,695 was spent last year by the bureau. The sum is now raised to a million dollars, and the increase may seem rather heavy. We must remember, however, that we need United States dollars, and we know that the people in that country want to visit Canada. We can get United States dollars and we can get United States tourists; all we have to do is go after them. They want to be friendly with us, and we want to be friendly with them. Yes, we want to be friendly with them even in a business way.

Our business with other nations should be carried on in a businesslike manner. Especially is that true of the Department of Agriculture. At the head of that department, however, we have one who is not a business man. Therefore our transactions with other countries have been to their benefit, and not to that of Canada. In fact the trade agreements made by the Minister of Agriculture (Mr. Gardiner) have set the farmer back, instead of sending him forward. In fact the plight of the farmer and the price he receives for his products remind me of a verse which was handed to me on the occasion of my starting in business about thirty years ago. The two lines of the verse are as follows:

> Count that day lost whose low descending sun
> See prices shot to flinders and business done for fun.

The farmer in Canada has long passed the point where he sees the funny side of it. He wants to know where he goes from here. I am asking the Minister of Agriculture what the farmer is to do; I doubt if the minister knows.

The following newspaper clipping I should like to place on *Hansard*:

> Seattle, Nov. 3.—A telegram received here from Paul H. Appleby, United States undersecretary of agriculture, advised apple growers in the Wenatchee region of Washington state that the department of agriculture has sent two representatives to Ottawa to consult on steps to safeguard any injury to the U.S. market for domestic fruit.

I sincerely hope the deputation was received in a friendly manner, that no concessions were given away and that Canada got just as much as she gave.

The Minister of National Revenue (Mr. Gibson) has said that Canada spent $24,000,000 in the United States on foreign fruits and vegetables. We would not spend that much if our trade agreement had been better drawn. I have described the Ontario farmer as the forgotten man, and I believe I am right. He has been forgotten ever since this government took office. But the Department of Agriculture has not been forgotten, so far as estimates are concerned. In 1935 estimates for that department stood at $7,121,210.24, and in that sum was included $500,000 for the operation of the Natural Products Marketing Act. This year they have been cut down from the

$16,000,000 of last year to $13,254,323.09. But this year the salaries alone of that department amount to almost $7,000,000. That is not helping the farmer of Ontario, of the west or of the east one bit. The farmer has not a chance. The Minister of Agriculture has said that this government is doing more for the farmers of Canada than any other government ever did. I quite agree with him. This government is doing more for the farmer, more to put him in the hole, more to make him mortgage his farm, more to put him in the red. The farmer to-day merely exists; he does not live. One farmer said that he had a full pocket-book. In that pocket-book he had a copy of his mortgage and the stubs of notes that he owed at the bank, but no money.

Last session one hon. member said that the west did all the talking; apparently the squeaky wheel got the most grease and he thought he would rise in his place and talk to see if he could not get a little grease. Personally I feel that the west and the east get the grease, but Ontario pays for it. As I said before, the Ontario farmer is the forgotten man. His markets have been taken away from him and foreign farm products are being dumped on his doorstep. Hothouse businesses have been put out of business because they have been given no protection. The hog growers have got it in the neck, and they are still getting it. In the last month the price of shorts, middlings and bran have jumped as much as $4 a ton. I believe this is due to the miller just handing it right back to the farmer. The farmer raises the wheat, the miller processes it and the farmer pays for it. As I say, the farmer has no chance at all. In most sections of Ontario the potatoes have been quite poor this year because of heavy rains and a cold fall. In the Port Hope-Peterborough section tomatoes were two weeks late in ripening and then heavy frosts killed off sixty per cent of the crop.

An hon. member to my left referred to the distilling of spirits from wheat. The United States has been doing this for a few years and Canada will eventually have to do the same. Every day England is requiring more high-octane spirits for aeroplanes and Canada should be the country that supplies it. We are adding to our air force every day and we do not know when the supply of oil from south and central America will be cut off. We should be considering new means of obtaining motor spirits. It has been said that it would cost fifty cents a gallon to manufacture these spirits, but I understand that the government is paying more than fifty cents a gallon for high-octane gasoline.

[Mr. G. K. Fraser.]

This year in our district we were unable to obtain a decent cob of table corn because the corn borer had got it all. One would have thought that the Minister of Agriculture with the many millions that he has to spend would have tried to check the ravages of this borer, but I did not see any checking in our part of the country. In fact, the situation is such now that the farmers have given up hope. The hon. member for Selkirk (Mr. Thorson) has suggested that this house should sit as a committee of the whole to discuss the wheat question. We should discuss the problems of the Ontario farmer at the same time.

An hon. MEMBER: Disgusted.

Mr. FRASER (Peterborough West): An hon. member over here says "disgusted." Yes, the Ontario farmer is disgusted. The Minister of National War Services (Mr. Gardiner) made a statement which, as I said before, proves that he is no business man. You, Mr. Speaker, and every hon. member know that the manufacturers and workmen of Canada are ready and willing to produce and will produce if given a chance. I know this statement has been brought up before, but I think it should be again brought to the attention of the minister. He said:

> Factory managers who contend they cannot produce to capacity without interfering with the training of men may have to be told by someone that they as factory managers are not good enough for war time.

Suppose the housekeeper of this House of Commons went to the charwomen when they were cleaning up and handed one of them a brush having only half the necessary bristles and asked her to do as good a job as another woman who had a brush with all the bristles; there likely would be a kick. Factory managers have resented that statement of the minister very much. The factories will produce if they are given the necessary man-power. They are crippled by their need of skilled labour. Some years ago this government was warned that labour should be trained. We are short to-day even of unskilled labour. Our manufacturers are losing men all the time to the different arms of the service. They are glad to see them go, but the fact is that many managers, storekeepers and other employers are working eighteen hours a day, and some of them almost twenty-four hours trying to keep things going. I saw one storekeeper delivering goods at six o'clock in the morning because he could not get a messenger. All I say to the Minister of National War Services is that he will have to play ball. The manufacturers and workers are ready to play ball,

but they must have a man in the pitching box who knows how to pitch. These manufacturers cannot be bulldozed.

I feel, and I believe everyone in Canada feels that small war contracts should be checked just as closely as the large ones. Hundreds of feet of fire hose were sent to the airfield at Brantford and not one coupling would fit the hydrants. Ninety-eight fire axes were sent to another training camp. I do not know whether that camp was near an Indian reservation because it is possible the person who sent them thought they could be used as tomahawks. But a mistake was made and apparently the shipment was not thoroughly checked. I do not blame the Minister of National War Services for this because this is a matter having to do with the Department of Munitions and Supply. How many more blunders have been made you, Mr. Speaker, do not know and I do not know, but what I say is, check first. The hose and axes could have waited a few days which would have permitted a thorough check-up by an expert to see that everything was all right. If a mistake was made, even if only $3,000 a day, that would amount to over $1,000,000 a year. Money does not grow on trees, as the leader of the social credit party seems to think.

On June 17 of this year I asked this question in the house:

Has the government stopped the export of iron, steel and scrapiron?

Mr. Howe: We have appointed a steel controller who has complete charge of the import and export of any iron or steel product, and he is now in control of the situation.

I have here a copy of P.C. 2742, dated June 24, 1940, the order in council appointing the steel controller. In other words, he was appointed one week after the minister said he was appointed. I do not think I would go slow in a matter of this kind. If they have to appoint a steel controller, they should jump to it.

I would also suggest to hon. members that they read the debates of the British House of Commons of October 10, 1940, at page 479, with respect to the shipping of oil. I have the volume here.

I was pleased to hear the Prime Minister announce that we are going to have a representative in Brazil and one in the Argentine. I was also pleased to hear the Minister of Trade and Commerce (Mr. MacKinnon) say that he was going down to south America and was going to visit both the west and the east coast. I sincerely hope that when we are choosing representatives of Canada for Brazil and the Argentine extreme care will be taken in picking the right men because the south Americans are a very proud people, and they have a great deal to be proud of. They had universities many years before there was one in any part of Canada or the United States, and one has to be extremely careful with regard to their customs and traditions. I would suggest that we send to south America someone who has been in that country before and knows the customs of the people.

Our director of tourist traffic, Mr. D. Leo Dolan, is at present chairman of the Pan-American Highway Congress Association, having been appointed in San Francisco two years ago. The Pan-American union I believe would be pleased if Canada would join up with them. The people of central and south America are friendly, and for the benefit of hon. members I would suggest that they all subscribe to the monthly bulletin of the Pan-American union. They can get it in English, Spanish or Portuguese, although I imagine not many in the house speak Portuguese. I know that hon. members who subscribe to the bulletin will be more than repaid.

On the west coast of south America two men could do all the work that would be required because Spanish is spoken in all those countries, but they would have to be men used to flying because that is how they would have to travel from place to place, although they have in south America about three thousand miles of paved road.

Mention has been made in this house on more than one occasion of leadership with regard to women's activities. I understand that the Minister of National War Services has appointed a man to take charge of that work. I think that is all wrong, and the women will very much resent it. An outstanding woman who is known to be a leader should have been selected. In the city of Peterborough the women's war service auxiliary corps is over two hundred strong, and takes drills and lectures once a week. In the same city we have also a women's service committee doing good work.

In closing, I should like to say that we Canadians should have faith that right is might and that right will be victorious. Let us be thankful, all of us who are privileged to live as citizens of a free country where liberty and justice continue in a world torn by suffering. Let us pray that peace, prosperity and friendship among all the peoples of our war-weary earth may soon materialize and live forever. Let us continue to love our country, respect its democratic institutions and honour its flag. Let us thank God for Canada.

Mr. W. G. WEIR (Macdonald): Mr. Speaker, the thoughts of everyone in this house and in Canada are concerned with our war effort, and also with the efforts that will have to be made at the close of the war to re-establish not only those now engaged in military operations but also those engaged in the manufacture of munitions and the implements of war. It is even difficult in a debate of this kind to interject any other matter because our thoughts are with the British people and the heroic fight they are putting up. Our minds turn to the women and children of the old land who day and night are bravely enduring bombardment. Our minds can hardly visualize those scenes. We in this country are fortunate when we picture what can take place in this machine-age war. Perhaps we do not fully realize how fortunate we are, for we can only dimly picture the destruction that is taking place in the old country.

Our hats go off at this time to Greece for the gallant effort she is making in defending her independence and halting unprovoked aggression of her borders by another country. Her heroic stand is an encouragement not only to us but to other countries that pride themselves on their nationhood, not to allow themselves to be subjected to ruthless aggression by foreign invaders.

Our thoughts go out, too, to our gallant Canadian soldiers who have taken their place in the line with such outstanding credit to themselves and to Canada. They have taken their places on the sea, in the air, and on the land, with valour unsurpassed. We must constantly keep before us, as people on the home front, the ever-increasing problem of knowing what we can do towards making their efforts more effective.

We have already heard statements from the various ministers of the crown pertaining to particular phases of Canada's war effort. They have shown a record of achievement and accomplishment which is phenomenal. This country, normally a calm, peaceful nation, has been changed from its ordinary peace-time pursuits into a gigantic war machine, capable of great expansion in the course of a few months. What has been accomplished in this regard stands as a creditable contribution on the part of the Canadian people of well-directed effort to the common cause.

With full recognition and appreciation of what this nation has done and can do towards assisting the mother country in her war effort, I believe many if not all Canadians will agree with me that the part this country has played in developing friendly relationships with the great republic of the United States may prove to be one of her most important contributions towards the defence and maintenance of democracy in the old land and throughout the world. We look at this accomplishment with gratification and pleasure. The credit for bringing about the understanding and goodwill which exists between our country and the United States must go to the present Prime Minister of Canada (Mr. Mackenzie King), who throughout his life has paid particular attention to that one necessary object of human endeavour, namely the creation of good-will among men and between nations.

Much as one would like to discuss further the country's war effort, there are of course other items of interest to discuss. Various hon. members who have taken part in this debate have discussed the war activities of the departments much more intelligently than, I feel, I could do at this time. I propose therefore to discuss one or two other matters. The address in reply to the speech from the throne provides that opportunity; it is a part of our parliamentary procedure designed for that purpose. Its importance, however, in influencing government policy may not be so great to-day as it was in days gone by. I can believe that when we did not have the radio, the daily press, the telephone and telegraph services, the gathering together of 245 members of parliament from all over Canada, bringing to this assembly their different points of view, proved of particular value in expressing to the government of the day the interests of the people throughout the country, and that the government would probably pay heed to such views in developing its policies. Nevertheless, that function of parliament, though possibly somewhat less important at the present time, is fundamentally unchanged. Contributions are made by the various hon. members to the formulation of governmental policy.

I have this feeling, and it is somewhat in line with a suggestion made by the hon. member for Rosthern (Mr. Tucker), that the debate we carry on upon the address in reply to the speech from the throne may be a little too formal. More might be gained by a debate in committee, where each question as it was brought up could be answered and cleared up at once. That is not possible in a debate of this kind. Opportunity is provided, of course, for committee debate when the estimates of the various departments are under consideration. Nevertheless, it seems to me that there is much to be gained through discussions in committee, and particularly, if the course were followed of referring more items to special committees or to standing committees. I do not refer necessarily to military items; I refer as well to items which

are of general interest to the country and to which members of the house could make their contributions. I suggest this for another reason, having regard to departmental activities. It would have the effect, if civil servants were called before those committees, of bringing the civil service more in contact with members of the House of Commons. By this means they would come more closely in contact with the people of this country, and I believe that that would be all to the good.

Referring again to the speech from the throne, we from western Canada are particularly pleased to note that the government is prepared to proceed with implementing the report of the commission on dominion-provincial relations. This, next to the successful prosecution of Canada's war effort, will be the most important item considered by this parliament. I trust that when the delegates are called together they will approach and consider this report as Canadians, recognizing that the men who made the inquiry and prepared the report were representative citizens, who were not interested in any particular section, but who gave their best efforts towards developing a policy in the interests of Canada as a whole. It would seem only reasonable, therefore, to conclude that their point of view was rational and impartial, having regard to the circumstances of all parts of the country. If the representatives of the provincial governments who are called together to consider this report will consider it in the same manner, we can hopefully look forward to something worth-while being accomplished as a result of these deliberations.

There is an opportunity of making this report the basis of a new pact of confederation. What comes from it will probably be the determining factor in cementing the far-flung sections of Canada into a closer harmony and a greater unity of purpose. The policy of the government in deciding to call together the representatives of the provinces is a proper step to take. Let us hope that these representatives will proceed earnestly and sincerely with their deliberations, and that those features of the report upon which there is agreement will be implemented without undue delay.

I wish now to talk of another matter, of more particular interest to western Canada. Coming as I do from western Canada it is to be expected that I should say a word or two with respect to the wheat situation, including some references to the general agricultural situation as I see it. In so doing, may I say to the farm people of other parts of Canada that we in the west are not unmindful of the circumstances of not only the farmers but also other primary producers in other parts of the country. We are not unmindful of the situation as it affects the fishermen of the maritime provinces or the tobacco growers of certain sections or the fruit growers in other parts of Canada. These all have their problems; likewise we have a problem in western Canada. The chief difference is that our problem happens to loom a little larger in the general economy of the country. As far as the individual is concerned, perhaps the effect on the one is no greater than it is on the other.

I have noticed that in discussions in this house so far regarding the present situation in western Canada the approach to the problem has been much more realistic and more reasonable. There may be some who may feel that we from Manitoba should not be as much concerned in this matter as those in other parts of the west, for the reason that our production is largely diversified. Even with the low price of wheat last year, only one-third of the gross return from agriculture in the province of Manitoba came from wheat. Nevertheless, to those who are growing wheat the problem is equally as important as it is to farmers in other parts of the country.

Wheat did not carry our province last year. It will not carry it this year at fifty cents a bushel net to the farmer, and at that price it never will.

In what I have to say this evening regarding the marketing of wheat I do not propose to offer a solution. I may offer some suggestions, as others have, in the hope that they may be of assistance to the government in formulating a policy for the future.

There is no doubt that so far as the country's war efforts are concerned at this time, our wheat industry appears to be one of the first casualties. We are facing not only low price but increased production and fewer markets. Nevertheless, in spite of those difficulties confronting us at present, I am not unduly pessimistic over the wheat situation. Like the Minister of Agriculture (Mr. Gardiner) and also like my friend the hon. member for Qu'Appelle (Mr. Perley), I think this thing will work itself out. What is essential is a little reason and care in attempting to see that the problem is properly handled.

The Minister of Trade and Commerce (Mr. MacKinnon) in his statement the other day placed on the record a great deal of valuable information which will help to bring about a proper understanding of the wheat situation, particularly with regard to

the manner in which wheat was marketed during the past year. I was particularly pleased—and this is a point I wish to emphasize—that he mentioned that a policy for the coming year could be expected to be announced early in February when this house reassembles. I hope that will be so. There has been criticism of the government because of the delay last year in announcing a wheat policy. There were good reasons for delaying the announcement of policy last year. The same reasons, however, do not exist at this time.

Last year there were many uncertainties to be considered. For example, France and also the low countries were still possible purchasers of Canadian wheat. These countries are now pretty certain not to purchase Canadian wheat. Moreover we did not know by any means the size of the crop we would have or the amount of storage required. These factors are now known, or will be known by the end of this crop year. One thing that is certain from the evidence we have at present is that our storage capacity will be completely filled by the end of the crop year. That being so, it is essential for the government to take into consideration at an early date the matter of providing additional storage to house next year's crop if it is going to be marketed at all.

I want now to say a word regarding compulsory reduction of wheat acreage. Those who think we can materially reduce wheat acreage, I am afraid fail to recognize all that is involved. We can reduce our wheat acreage but, in so doing, we must of necessity turn to something else. It is not as easy as it would appear. Nature plays too great a part. As indication of the uncertainty that existed even last year with respect to the size of the wheat crop, I think it is safe to say that had we experienced another week or ten days of the kind of weather that we had during the last two weeks of July and the first week of August, we might easily have had 150,000,000 bushels less wheat, with practically a failure in coarse grains.

Let me put it another way. Had we had last year a reduction of five bushels to the acre in yield of wheat, there would have been 135,000,000 bushels less produced, which would have largely done away with our storage problem. Had there been no increase in acreage, we would have had 35,000,000 bushels less wheat. If the yield in Alberta, for example, had been the same as it was a year ago, we would have had 34,000,000 bushels less. Or had Alberta had the same crop as she did last year, we would have had 40,000,000 bushels less. I am not picking out Alberta except to illustrate the point that we cannot hope to control this matter of production. We are glad that Alberta was fortunate in having a very good crop this year.

I wish to couple what I have to say with respect to wheat with something in respect of coarse grains. I want to link up in part the live stock industry in this country and indicate the extent to which western Canada is engaged in mixed farming. There are many who think that we should further expand the development of mixed farming in western Canada. I hope that before I close I may at least indicate that we are pretty well on the way as far as mixed farming is concerned.

I should like to go back to point out one or two things that I see in the picture as far as the coarse grain situation is concerned. I do this because of the live stock population we have in Canada and more particularly because of the agreements which the Minister of Agriculture (Mr. Gardiner) has entered into with the British government to supply that country with bacon, cheese and other dairy products. I know we want to see these agreements carried out. That being so, then we require a high production of feed grains in order to maintain our live stock.

Just by way of illustration I should like to show the situation at the present time with regard to coarse grains. The estimated production of oats, barley and rye for 1940 is 501,000,000 bushels, while the estimated consumption for the same year is 473,000,000 bushels, leaving a surplus of 28,000,000 bushels. I point out, just to indicate what might happen in this respect, that a reduction of only two bushels to the acre on the coarse grain acreage of western Canada would give us an actual shortage of 8,000,000 bushels in these grains to carry the live stock population of this country this year. From 1939 to 1940 our hog population increased by 37 per cent. The sows to farrow this fall have increased by 27 per cent compared with last year. Cattle production is up one per cent and sheep production two per cent. To-day hog production stands higher than ever before in Canada; this year the figure is 5,882,000 compared with 4,294,000 last year. Here again I would point out to my eastern friends that this year the hog population of Manitoba, Saskatchewan and Alberta is estimated at 2,640,000, while the hog population of Ontario and Quebec stands at 2,935,000. Therefore it will be seen that as far as hogs are concerned western Canada is pretty well into that business.

Figures with regard to the hog population show that this year Ontario increased hog production by 29 per cent while Manitoba increased hog production by 60 per cent; Saskatchewan, by 68 per cent, and Alberta,

by 38 per cent. These figures again indicate the extent to which we in the west are already engaged in mixed farming, as well as the possibility of expanding that branch of agriculture. I could go on and say a word or two with regard to the feed situation as computed on a unit basis of live stock, compared with the unit basis of feed requirements, but I shall defer that until another time.

I think we should face this cereal production situation in Canada from a practical point of view. It is no longer a western problem only. It is a problem for all Canada, a problem for the municipalities as well as for the provincial governments. We should approach it on that basis. In that connection I think the government might well take more closely into their negotiations the producers and those primarily interested in this problem in formulating future policy, not only for wheat but as well for all other branches of agriculture.

With regard to wheat, I feel the government can now say that it knows the actual situation. It knows that at the beginning of the next crop year the storage facilities of this country will be completely occupied. The farmer knows that the government cannot be expected to continue to take a 500,000,000 bushel wheat crop year after year. Knowing these things, then, I think the government should be prepared to call to a conference the people actually producing grain along with those concerned with handling wheat, and ask them to assist in formulating a policy which they will be prepared to follow.

Just at this point may I say that I believe the farmers of western Canada are prepared to follow any reasonable lead the government will give them. They are waiting for that lead, and when it is given I believe the response will be remarkable. I suggest, therefore, that in dealing with this matter for next year, and also for future years, the government should take into consideration the advisability of referring this matter to a committee of this house to which those interested could be called. Such a committee might sit even during the recess and before it the representatives of various organizations concerned with agriculture, from eastern as well as western Canada, might appear and advance their suggestions. Following that an attempt could be made to formulate a policy to which all would adhere for the marketing of next year's crop.

A moment ago I mentioned the question of storage. I do not think there is any doubt that the government will have to assist in providing additional storage in order that next year's crop may be marketed. I think in the marketing of last year's crop we have gained some experience that will be of value to us in formulating a policy for next year. The quota system has worked with reasonable satisfaction, and I think should be continued. Perhaps certain restrictions should be introduced to deal with the man who has a large acreage. The government might at the beginning limit deliveries under the quota to five bushels to the acre for those with up to 300 acres, and then reduce the quota for the man with more than that acreage. I think farm storage should be continued. It seems only reasonable that if the farmers are to be required to store their grain at home and attempt to finance on it, they should be entitled to a storage earning equal to that of the elevator companies.

The question of credit on this farm stored grain is one of the important matters that must be considered. I am hopeful that if the grain cannot be all marketed and paid for, the government will be able to work out some arrangement under which either the banks or the elevator companies will assist in providing loans on grain that may not be delivered. The hon. member for Souris (Mr. Ross) suggested the summer fallowing of one-third of the acreage of western Canada and that the government should pay the farmer $5 an acre for the land summer fallowed. The cost of such a policy would be $60,000,000 or $70,000,000. I do not believe that summer fallowing on a large scale such as is suggested, is the solution to this problem. Summer fallowing, as it is done in western Canada, has many hazards and drawbacks. Certainly it does not improve the soil; as a matter of fact it may increase the yield, and it may actually encourage another period of soil drifting, which we have been trying to avoid.

So far as Manitoba is concerned, other methods than that of summer fallowing can be followed. The growing of corn now has become pretty general in the southern part of Manitoba, and can be extended. Other row crops might be introduced.

With regard to the suggestion that bonuses might be paid for summer fallowing in order to cut down wheat production, I would much prefer to see any bonus paid for grass seed, thus assisting the farmers to get a greater portion of this land back into grass.

This leads me to say a word or two with respect to the Prairie Farm Rehabilitation Act. I hope this year the government will be able to see its way clear to increase the amount of money available for this work. I think this is one branch of agricultural policy that can do a great deal toward stabilizing western agriculture.

I would particularly urge the development of community pastures, and providing adequate

water supply for live stock. In community pastures the government will have control. They could introduce first-class sires, and thus do a great deal toward improving the live stock of the country. Along with that, at the end of each season an auction sale might be held at those pasture fields, allowing the people to buy the live stock suitable for feeding purposes, instead of having the stock shipped to the central market, where additional costs are piled up against them, and from which they have to be shipped back.

Then, I believe the government should be prepared to go out and urge the farmers to do certain things. One of them is to extend our coarse grains and feed production, and reduce their wheat acreage. They should be urged to provide and store two or three years' supplies of feed. We have had crop hazards in the past. We have had crop failures. Many times we have had the situation where feed has had to be shipped in. Surely, under the circumstances as they exist to-day, and particularly having regard to the removing of a large part of our land from wheat production, it would be sound policy to urge the development and the seeding of greater acreages of coarse grains, as well as the regrassing of larger areas.

May I make one further observation to hon. members from eastern Canada. We feel that they need our coarse grains from western Canada, and we would like them to have them. This of course raises the question of the structure of domestic freight rates. I am not suggesting that we should totally disregard that structure. But in a time of war, with problems of agriculture as they are, and particularly in view of the large production in western Canada, something might be done either by way of bonusing shipments or by making some adjustment in the rate for the duration of the war so that these coarse grains might be shipped more advantageously to the farmers in eastern Canada.

I do not believe that is the only thing that is necessary. My observations lead me to the belief that a great economy could be effected in the matter of handling these grains when they arrive in the east. Purchase by carload lots and direct shipment is the proper procedure. If there are cooperative organizations or associations in a position to purchase and distribute feed grains from western Canada, I believe some policy could be worked out whereby those coarse grains could be supplied on a much more reasonable basis than they have been supplied in the past. The farmers of eastern Canada need them to finish their cattle.

Our western grains are good feed, although some people prefer corn. Probably those who have that preference would not be prepared to say that barley is the better feed. We have, however, got along well with it, and I think it will be agreed that we have been able to finish our live stock in first-class condition by the feeding of barley. Perhaps we should attempt to indicate to the farmers of eastern Canada how barley may be fed to advantage to live stock, so that the farmers in this part of the country may become more accustomed to it. I am satisfied that if that were done, barley would soon come into general use among their feeders. It has finished our cattle and hogs in the west satisfactorily.

As I said at the outset, I am not unmindful of the producers of other primary products, and particularly farm products. At the moment our wheat problem looms up in greater proportion than that of other products. We have attempted to approach the problem in as reasonable a manner as possible. All parts of Canada are interested in it. I believe the farmers in western Canada are prepared to accept any reasonable lead the government may give. I hope the people in the rest of Canada will not overlook the importance of this industry not only to the west but to Canada as a whole. Therefore it must be kept as far as possible in a state of efficient production. Otherwise, at a later time when we may need it, it may not be in a position to continue to produce wheat in the manner in which it has done in the past.

Therefore I submit that a conference of farm leaders from both the east and the west, together with representatives of provincial departments of agriculture, the federal Department of Agriculture, the wheat board, the pools, the grain trade and the banks, might well be called together to meet in conference before a committee of this house to consider the whole cereal crop position. I believe that if those representatives were brought together and shown exactly what the circumstances are, they would be prepared to go a long way toward carrying out any policy the government might formulate. Their problem is that of gaining a livelihood to carry on their business. They are prepared to do the reasonable thing, if given a lead. They are waiting for that lead, and I hope, as was indicated by the Minister of Trade and Commerce that that lead may be given before the beginning of spring operations.

The other point I urge upon the government is the necessity of providing the storage which will be required to market at least part of next year's crop. That is the easiest way in which the problem of dealing with financing the crop can be handled. I do not think the costs to the federal government in acquiring

additional storage need be very great. In fact, if we are obliged to carry this wheat beyond another year or a year and a half, the return in storage earnings alone should be quite enough to compensate for the outlay which might be necessary to build the storage.

That is the approach I would make to the problem, and I hope, along with other hon. members who have spoken, that something may be developed which will help to assist in remedying a situation which, so far as the farmer of western Canada is concerned, is serious.

Mr. M. E. McGARRY (Inverness-Richmond): Mr. Speaker, I had not intended taking part in the debate, but my reason for departing from that well-intentioned purpose is that I wish to refer to a few features of the government's war preparedness to which little reference has been made by hon. members on either side of the house who have spoken.

I wish first to refer to the war-time prices and trade board which was so wisely and so promptly appointed by the government at the very outset of the war. In that connection I would congratulate the government upon its wisdom, vigilance and foresight. This measure has offered a most effective resistance to what I might describe as internal aggression in the form of the profiteer and the hoarder. This is the element which during the last war was permitted to run an unbridled and relentless course across this dominion, a course which not only had an ill effect upon the prosecution of the war but left in its trail a period of depression and deflation from which this country had not fully recovered at the onset of the present war.

I believe that this measure not only expedited and enhanced the war effort of this dominion, but showed wise planning on the part of the government for the aftermath of the war. Some people may argue that any consideration given to the aftermath of this war is premature, but with that argument I cannot agree. While I believe that the thoughts and efforts of this nation should be concentrated upon the successful prosecution of this war, it shows wisdom on the part of this government when they give serious consideration to the day when this downpour of red rain will have ceased, when this tragedy of carnage is ended, when the men who to-day are employed in the manufacture of implements of war and destruction will have reverted to their ordinary pursuits in civil life and when trade and industry shall have toppled from the dizzy and precipitous heights of war time to the more stable economic levels of peace. This forethought at the very beginning of this war has been beneficial to the producer, to the consumer, to the wage-earner, indeed to every citizen. It has added considerably to that unity of sentiment which is so necessary in a total war effort.

While our people are tolerant of the claims that are made upon them; while they are ready to bear the expenses of this war; while our men are overseas, armed against the forces of the tyrannical aggressors, there is no individual, no corporation, no element in this dominion growing fat on the sacrifices and the needs of this nation. Military contributions alone are not sufficient if we are to resist successfully the onslaughts of the dictators.

I congratulate the government upon their vigilance and activity in dealing with the subversive fifth column. Canada, being rich in resources and so sparsely populated, provides a perfect ground for exploitation by fifth columnists. I exhort the government to continue to exercise this vigilance against this enemy in whatever form it may show its head.

I do not intend to go into the details of our military preparations which have been made so expeditiously and so adequately. I have tried to gather information along this line from the most authentic and authoritative sources, and I am glad to say that the factual recitations of the different ministers correspond absolutely with the information I have gleaned. I do not think anyone in this dominion can say that Canada is not contributing adequately, especially when he reads the pronouncements of the great statesmen of England and of other men who have to deal directly with this war effort, of men who have jurisdiction over the forces that are standing between tyranny and democracy. All these men express not only surprise but admiration, and render plaudits at the expeditious manner in which this contribution has been made. Surely this should be sufficient to make everyone confident that this government and this country are doing their bit, contributing not only the full commitments, but in many instances being far ahead of schedule.

I should like to refer to one other matter which may be regarded as being to some extent localized, or it may savour somewhat of criticism. If it was my intention to criticize, I do not know just where I should direct my criticism. I refer to what I regard as the maldistribution of our military projects. I understand that the selection of military sites is left to our war experts and that such selections are made with due con-

sideration to the economic and strategic importance of the site chosen. Unfortunately certain sections of the dominion feel that they have been more or less penalized, and such is the case with the constituency which I represent.

The citizenship of my constituency is descended from French and Scotch forbears, with just enough Irish to make the racial mixture sparkle. In my constituency are to be found men who are as loyal as any in this great dominion. We have people just as ardent in furthering our war effort as any others, just as tolerant of the taxation burden. It may be because we are not economically and strategically located, but the fact is that we have had but a small part of the industrial projects having to do with our war contribution. I want to bring this matter to the attention of the responsible departments.

The people of my constituency are usually employed in fishing and farming, but last year the fisheries were a failure. To aggravate that economic condition, two mines, one a gypsum mine employing 100 men and the other a coal mine employing 200 men, were closed down for some reason or another. This left our people in a rather serious economic condition. If it were not for their pride and tolerance, I believe we would have to have in certain sections of my county what could be characterized as a relief measure.

At Port Hawkesbury the town owns a ten-acre field upon which aeroplanes have landed in emergencies. Adjoining that wide-open space are acres and acres of level land. It overlooks the strait of Canso, which should warrant its strategic importance. The town of Hawkesbury is willing to give this field to the government gratis. I feel that this is one proposal which should be brought to the attention of the experts in charge of the selection of sites, and if they should decide that it would not be suitable for a landing field, why not put up a large barracks there to house from 9,000 to 10,000 soldiers? It would make a splendid training ground for the troops, and even if the government did not want to train troops there, it would be a splendid place for the soldiers to play football and run foot races, which would be much better for them than being around the cities in beer parlours and such like. I bring this matter to the attention of the minister concerned and I ask the government of Canada to look into it and see if something cannot be done to allow our good people to participate in at least a fractional way in some of this war work.

[Mr. McGarry.]

As I said before, our people are tolerant, and I think the civilian population of Canada as a whole is tolerant. I believe that they know what the results of war will be. I believe that they regard war as I do and as every sensible man does, that they look upon it as the greatest crucible in the world into which is cast all the organized institutions of civilization and all the established institutions of national politics. They realize that no nation will be the same after this war, that the changes which will take place in the belligerent countries will obtain identically in the neutral countries. They do not know what the end of this war will be. They do not blame Britain or Canada for going into this war. There was nothing else for Britain to do. If she had offered no resistance to the fiendish and infamous programme of the dictatorial tyrants; if she had stood idly by and allowed them to run their fiendish course, the honour of Britain would have been betrayed and the trust of our dominions in her would have been put to shame. If Hitler and his hordes proved triumphant, our day of sorrow would soon follow and we would have nobody to assist us and very few to lament our fate.

So I say that our people to-day are tolerant and their hearts are in this cause. They are looking upon this conflict not as one of flesh against flesh but as one between two ideologies. On the one hand we have democracy, which accords to our people the prerogatives of freedom of the press, freedom of thought, freedom of action, freedom of assembly and the right to live decently. On the other we have dictatorship, which denies these prerogatives to the people. The purpose of the dictators is to trample down civilization and to destroy everything that is spiritual in man. That is the crisis we are up against. That is the crisis which the people realize that we are up against, and they are meeting it with the proper attitude. They are looking upon it as the greatest tragedy of carnage that ever obtained in this world, and the very ghost of that tragedy hovers over our own homes. Is it any wonder, then, that we Canadians who have enjoyed the prerogatives of democracy are calling up every reserve of strength and courage, of faith and fervour, in order to combat the tyrannical aggression of these satanic hordes who have gone mad with the lust for world domination? We who are Christians know that the Creator of all

things is still in His realm and that He will see to it that eventually, although possibly not in our way, all will be well with the world.

In closing, I make reference to one matter which the previous speaker (Mr. Weir) mentioned, namely, free transportation for our soldiers. I am in favour of free transportation for our soldiers on long leave, such as Christmas leave, or, say one leave a year. When a soldier leaves his home he sacrifices his job, his civil liberties and the comforts of home. He goes out for what purpose? To see that we shall not be molested but that we shall remain free. We have men who are engaged on the railroads, who remain at home; they are not sacrificing their homes or their jobs or any of the liberties they have always enjoyed, but they are entitled to free railway passes not only for themselves but for their wives. This government has to contribute financial support to the railways, and I would say to the government, let the railways pay for their keep, and let us transport our soldiers home on long leave free of charge.

On motion of Mr. Abbott the debate was adjourned.

On motion of Mr. Crerar the house adjourned at 10.58 p.m.

Tuesday, November 26, 1940.

The house met at three o'clock.

BUSINESS OF THE HOUSE

REQUEST FOR OPPORTUNITY TO DEAL WITH QUESTIONS AND MOTIONS FOR PAPERS

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I would ask the Prime Minister (Mr. Mackenzie King) if to-morrow he would be good enough to facilitate the answering of questions and the passing of formal motions for the production of papers, as he did a week ago.

Right Hon. W. L. MACKENZIE KING (Prime Minister): I think it can be arranged for to-morrow.

TRAFFIC CONTROL

PROVISION FOR SAFETY OF PEDESTRIANS CROSSING ROADWAY IN FRONT OF PARLIAMENT BUILDINGS

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): May I direct the attention of the Minister of Public Works (Mr. Cardin), who unfortunately is not here at the moment, to the danger, to pedestrians passing along the esplanade in front of these buildings, from, shall I say, thoughtless motorists. I had an experience of this kind to-day, and I have heard of others. If it is necessary to put a policeman on that esplanade to prevent people from driving too fast, let us do it; but I think something will have to be done. One of the senators was seriously injured the other evening, though at that time of course visibility was very poor. The incident to-day, however, was in broad daylight and I am not as agile as I once was. I should like to ask the minister if he will do something about this.

ROYAL CANADIAN MOUNTED POLICE

REFERENCE TO NEWSPAPER ITEM SETTING OUT QUALIFICATIONS REQUIRED OF RECRUITS

On the orders of the day:

Right Hon. ERNEST LAPOINTE (Minister of Justice): During the course of the debate yesterday at page 379, Mr. Speaker, the hon. member for Vegreville (Mr. Hlynka) drew attention to an item appearing in the Edmonton *Bulletin* with regard to the recruiting of constables for the Royal Canadian Mounted Police, containing these words:

Applicants must be single, of British racial origin.

Since this matter already has been commented upon by a section of the press I desire to make a statement concerning it.

Section 34 of the rules and regulations of the Royal Canadian Mounted Police reads as follows:

All candidates must be British subjects.

I desire to state that any British subject who has the other necessary qualifications may be enlisted in the Royal Canadian Mounted Police, whatever may have been the racial characteristics of his forefathers. The commissioner, whose attention has been called to this item, is investigating as to who is responsible for the phraseology which appeared in the newspaper, which certainly is equivocal.

I may add that regulation 34, which requires that applicants must be British subjects, has been in the regulations since the inception of the force.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Monday, November 25, consideration of the motion of Mr. Brooke Claxton for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Hanson (York-Sunbury) and the amendment to the amendment of Mr. Blackmore.

Mr. D. C. ABBOTT (St. Antoine-Westmount): Mr. Speaker, it is now some two weeks since we listened to the speeches of the mover and the seconder of the address in reply to the speech from the throne. Already they have received well-merited congratulations from all sides of the house, but for two reasons I should like to add my word of congratulation as well.

The first reason is that both speeches were of an exceptionally high order. The second reason is a more personal one. The hon. member for St. Lawrence-St. George (Mr. Claxton), who moved the address, is an old personal friend of mine and a former classmate at McGill University. We were both members of what we at any rate considered the famous class of law 1921; and in addition to some other outstanding characteristics, over three-quarters of that class consisted of men who had just returned from serving in the last war. Hon. members may not be aware of the fact that the hon. member for St. Lawrence-St. George was the only member of our class who held the Distinguished Conduct Medal, awarded to him for gallantry while serving overseas. In addition to providing two new members for this House of Commons that class had a further distinction, in that it furnished the first governor of the Bank of Canada in the person of Mr. Graham Towers. I would hasten to add that even twenty years ago Mr. Towers showed the sound judgment which has characterized his subsequent career when he decided at the end of his first year in law to abandon the hurly-burly of the legal profession for the more dignified calling of banking and finance.

As hon. members are aware I represent a constituency which is predominantly English-speaking. I should like to associate myself with the views expressed so eloquently by the hon. member for St. Lawrence-St. George in respect to the attitude of the province of Quebec in the present war. I have lived in Quebec all my life. My father, my grandfather and my great grandfather lived there before me. I think I know the people of that province, and I could not do better than echo the words of my hon. friend when he said that there is no group in Canada who are more loyal Canadians, no group in Canada more loyal British subjects than the people of French Canada.

During the course of his remarks he touched briefly upon some of the problems of war finance, and it is with that subject I should like to deal briefly to-day.

In his admirable speech last Thursday the Minister of Finance (Mr. Ilsley) outlined the principles of war finance of the present government. He said that those principles had received the overwhelming approval of the Canadian people, so far as there can be said to exist a public opinion on principles of war finance. I feel that this is an exceedingly important question, and one concerning which there should be discussion. In the last few days various hon. members have dealt with the subject. I shall deal with it from a viewpoint perhaps slightly different from that of hon. members who sit in the far corner of the house.

We all realize that money does not win wars. Wars are won by men and by the production of materials, and in modern warfare, while men are no less important than they ever were, I think it is fair to say that materials and machinery have become more important. War machines are not created by money; they are created by the joint application of labour and capital, in this instance represented by plant and equipment, applied to raw material.

Mr. BLACKMORE: Without money?

Mr. ABBOTT: I said that money did not create them. I was going on to say that if men and materials do not exist no amount of money in the world can bring them into existence. So that it follows, if I am correct in my reasoning, that money and finance must take second place to men and materials.

Nevertheless, while finance must take second place, it plays a very important part in the productive process upon which the effective prosecution of a war depends. If it is clumsily or unwisely handled it can seriously impair that productive process, and set up strains not only during war days but after the war is over. The problem therefore of war finance is not that of winning the war but rather that of seeing to it that the war is paid for by methods which cause a minimum of disruption and distress both during and after the war.

At various places in the press and elsewhere I have noticed references to the policy of pay-as-you-go, and one would be led to believe that that policy was deliberately chosen and that there was an alternative. Mr. Speaker, except to the extent that we may have foreign assets on which we may realize or obtain foreign credits, we must pay as we go. It is entirely automatic. The choice which we have lies only in the way in which the burden is imposed and distributed among the different groups of the community. The choice therefore between methods of war finance is not a choice between a greater or a lesser burden of sacrifice on the nation as a whole. That burden is fixed—not by finance, but by the number of men and the quantity of material required to fight the war.

In spite of all that has been said by hon. members in the far corner of the house, I believe, in fact I am certain, that the total output of a nation necessarily has a limit. Of course that output may be increased by improved organization and efficiency; nevertheless the limit exists. In peace time we are accustomed to a level of production which is below capacity. We all recognize that, and we have seen it over the last ten years. It is difficult to adjust our views now to a different situation. I assume however that in war time we will raise our production to the maximum which our resources and our organization will permit. We will export all we can spare, and we will import what we must have. Then if from our total production and the amount of our imports we take away our exports and the requirements for war purposes, it is obvious that what is left is the amount available for civilian consumption.

Therefore as I see it the problem is one of apportioning the available things, and the labour to make them, between war needs and civilian needs. And our war effort should never be described as a maximum effort so long as we are taking it easy on the civilian side. If we are to divert to war purposes the maximum amount of our production we must cut down civilian consumption. That seems to me unanswerable. It is just as clear as the case of a man who spends a substantial part of his income to build an air raid shelter. He may save his life and that of his family, but he must do without the comforts and luxuries he might otherwise have.

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

Mr. SPEAKER: The question may be permitted only with the permission of the hon. member who has the floor.

Some hon. MEMBERS: Sit down.

Mr. NICHOLSON: Would the hon. member enumerate the commodities on which we must cut down?

Mr. ABBOTT: I am coming to that later.

Mr. LAPOINTE (Quebec East): Let him make his speech.

Mr. ABBOTT: In the matter of distributing the burden, the government or the state can be only the directive agency. It is not a fairy godmother, as so many people seem to think. And, if I may paraphrase Mr. Lincoln's words, wars are fought by the people and for the people. Every person in this country must realize that he is receiving part of his wages and part of his salary in the form of armaments and national defence. The man who does not reduce his purchasing power, or who increases it, is simply obtaining something for nothing at the expense of somebody else in the community.

The task confronting the Minister of Finance is that of transferring civilian resources and civilian production to war purposes, and to choose between the different methods of distributing the burden among the different classes of the community. As the minister pointed out in his admirable speech, there are three main methods of distributing that burden. The first is taxation, the second is borrowing from genuine savings, and the third is inflation. All three are means whereby the citizen who has purchasing power in his pocket or in his bank account is compelled or induced to part with a portion of it to the government for war purposes.

Taxation of course takes purchasing power once and for all. Borrowing takes away a certain amount of purchasing power, but it leaves the lender with the expectation that he will be able to exercise that purchasing power at a later date, perhaps at the expense of some other group in the community which has not saved during the war.

The third method, namely inflation, as we all know permits the citizen to spend as much as he did before, but sees to it that he does not get so much for what he spends. The Minister of Finance must balance the proportions of taxation and borrowing. I think it is recognized that in a war of this kind it is not practicable to raise the entire cost by taxation as we go along. But whatever method he adopts, whatever proportion he decides should prevail as between taxation and borrowing, the difference between the national income in the hands of the public and the amount of goods available for civilian consumption must be made good, either voluntarily or by the enforced renunciation of spending.

May I illustrate with a concrete example. The figures which I shall give are purely arbitrary, although they do bear some relation to the actual facts. Let us assume for the purposes of argument that the national output of goods and services has a value in terms of dollars and cents of $4 billion. The other day my hon. friend the leader of the opposition (Mr. Hanson) said that he thought $4½ billion was too high. I think it is too low, but I have taken $4 billion knowing that it will not alter the principle of the example which I intend to give. We have a total output of $4 billion, and the government takes $1½ billion of that for war and ordinary administrative purposes. By the process of simple subtraction, this leaves available for civilian consumption, $2½ billion.

For the purposes of my illustration I shall eliminate the question of external assets, because we are not, generally speaking, a creditor nation. The national income will be the same as the national output, $4 billion. Assume that the government takes $1 billion in the form of taxation; then we have left $3 billion. We have $3 billion in the pockets or the bank accounts of the public, with available goods and services to the value of $2½ billion to meet it. If the public refrains from trying to spend this extra $500 million and saves it, of course the problem is solved, but if it does not, if it insists on spending it, the law of supply and demand will operate and prices will rise. In the case of the example I have given, the increase will be 20 per cent; if the public saves half, prices would rise 10 per cent. But in any case prices will rise until the money in the hands of the public equals the value of the goods available for purchase or consumption.

This initial rise no doubt would cause little disturbance. Generally speaking, the resultant profits from such a rise would go to a restricted class of people, the manufacturers, traders and so on, and it would probably be fairly easy to get at least a substantial part of that back by taxing that restricted class. But the increased prices are bound to result in a demand for increased wages. Such a demand is bound to be successful in part, although it will never catch up with the increase in prices. This in turn will result in the necessity for further increases in order to maintain equilibrium. It must be remembered that the government will have to continue to make its purchases of materials and war supplies at the higher prices. This will mean in turn more money in the hands of the public.

Of course the government, which has control of the banking and currency system, can always find the cash with which to pay for these purchases of internally produced goods. So the inflationary process goes on. Everyone agrees that inflation is the most disastrous method of financing a war. By the process of inflation governments can secretly and unobserved confiscate a substantial portion of the income of its citizens. While such a process impoverishes many, it may enrich or increase the wealth of some. Lenin is supposed to have said that the best way to destroy the capitalistic system was to debauch the currency. I do not know whether he actually said that, but I am sure that if he did, he was right.

Perhaps one of the most serious results of inflationary finance is the fact that those who have to bear the heaviest burden are impoverished, and quite naturally as a result they entertain serious and dangerous feelings of grievance. I do not think it is unfair to say that the rise of the nazi regime in Germany was due, in part at least, to the violent hatred engendered among large classes of the population against the Jews who were alleged to have been the profiteers of the German inflationary period. It is interesting in passing to note that the nazis are using an inflationary technique in the occupied countries of Europe. Instead of carrying on the outright theft of foodstuffs and raw materials which they find in these countries, they are practising a form of looting by paying for these materials with a paper currency which will have a less than doubtful value in the future. This would seem to be a modern method of debauching the conquered.

Against all the disadvantages of inflation, there is one outstanding advantage, or perhaps I should say temptation. Inflation is politically easy. No one has to take any responsibility for it and no one ever takes any responsibility. It never appears in any budget resolution and parliaments are never asked to approve it. It is nature's remedy and, as Mr. Keynes says, if nothing else is done, it just happens.

In a long, costly war the restricting of civilian consumption by taxation and by borrowing is both unpleasant and distasteful. But it must be realized by the public that it is the war itself and not the method of financing the war which determines the price which must be paid by the community as a whole. There is no magic way of making such payment. If we choose inflation, we should do it with a knowledge of the grave risks we are running. We should do it with the knowledge that we are still making the same sacrifice, but are running the risk of incurring all the evils which inflation is bound to bring and which inflation has always brought in its wake.

Mr. JAQUES: What about deflation?

Mr. ABBOTT: The ideal thing would be to have neither inflation nor deflation but stability, and that is what we have. What I have been saying is not, of course, of such importance, nor will its truth perhaps be apparent in the early stages of this war before all our unemployed men and resources have been absorbed. But when that time arrives, and in my opinion it is arriving very rapidly, then it will become of vital importance. While statesmen or politicians can give leadership in these things, in the final analysis, under our democratic system, it is public opinion and the people that must prevail. In order to avoid inflation we must practise the old-fashioned virtue of thrift; we must eliminate luxurious non-essentials in order that we can release as much of our production

as possible for war purposes. We must avoid all expenditures, both public and private, which are not directly connected with winning the war, with keeping our economic machine functioning or with maintaining the health, skill and strength of our people.

Mr. JAQUES: You have been saying that for twenty years.

Mr. ABBOTT: We will probably keep on saying it for another twenty years. We must be ready to pay just taxes gladly. We must buy government bonds and war savings certificates. Some people believe that it is possible to control public spending by a system of rationing and price-fixing. The Minister of Finance dealt with that very fully, and in my view at least, very satisfactorily the other day.

The principal objections to a form of general rationing—perhaps I should interject that some form of rationing and price-fixing may well form part of a plan of war financing—lie in the great diversity of the needs and tastes of the individual. In the case of certain articles, such as bread, bacon, tea or sugar, rationing may not cause great hardship, although even in those things the needs and tastes of the individual vary very considerably. But when you go down the list of the thousand and one things that people use and buy—clothing, shoes, dental and medical services, etc., it is obvious that not only the tastes but the needs of individuals vary considerably and that it would be absurd to issue a ration ticket to each individual for identical quantities of a particular commodity or service. It would require in addition an enormous police force, involving an enormous waste of man or woman power, to see that such a plan was enforced. It would have to be tied in with a policy of price fixing; but general price fixing unaccompanied by restriction of purchasing power would undoubtedly have the effect of increasing the pressure of consumption and facilitating the conversion of money income into the use and depletion of valuable resources, and if the supply for civilian consumption were restricted it is almost certain that shortages and unfairness of distribution would result.

It is highly improbable, Mr. Speaker, that wealthy individuals or corporations will become any wealthier in this war. If there are any such cases they will be very rare indeed. I think we can take it for granted that those, both individuals and corporations, in the medium and higher income brackets will be taxed to the highest possible extent, and I for one hope that they will. To me the major issue is going to be whether the mass of the people make their sacrifice by savings and lending to the government or whether they have their purchasing power taken away from them by inflation. In my view at any rate, as compared with the orderly limitation of spending by taxation, according to accepted standards, and by borrowing from genuine savings, either voluntary or enforced, the unregulated impact of currency inflation inflicts hardships all the greater because their consequences cannot be calculated and because they are unfair in their incidence.

My hon. friend the leader of the opposition, in his speech two weeks ago, charged the government with imposing tremendously heavy and oppressive taxation, and he went on to say that there was no equality of sacrifice in the 1940 budget. He did not elaborate that theme, although I recall that he and all his supporters voted in favour of the amendment to impose a 100 per cent excess profits tax. But whatever he may have meant, to me in the sort of war which we are fighting to-day it seems sheer nonsense to say that the taxes imposed in the 1940 budget are oppressive.

I listened the other day to the hon. member for Melfort (Mr. Wright) describing conditions in his part of the country, and I heard the hon. member for Mackenzie (Mr. Nicholson) a little later describing similar conditions. I have heard it, of course, from western members on all sides of the house, and while I may and do disagree with some of those members as to the causes of those conditions and where the blame should attach, none of us I think will deny that those conditions exist. Surely my hon. friend does not believe that people who are living under those conditions can be expected to make further sacrifices and be further taxed for the costs of our war effort. I think it is fair to say, in view of the abnormally low prices of primary products and the tendency to fix those prices which exists, I gather, from the report the other day of the Minister of National War Services (Mr. Gardiner), that the farming community of this country are already paying a substantial amount of unrecorded taxation. I do not see how we can ask them, nor should they be asked, to make further sacrifices.

Taxes must follow the direction in which expenditure is flowing, and we all know that war expenditure is flowing largely in the form of salaries and wages in the industrial centres. I am convinced that it is from that class of our population that we must expect to get the main portion of our tax revenue and the main portion of our savings and borrowings by the government, whether those savings are, as I said before, voluntary or compulsory.

So far we seem to have got along very satisfactorily. I have no desire to assume the role of a prophet, but I cannot help feeling that if this war lasts as long as I believe it will, and if we are required to make the sacrifices that I believe we shall have to make, we may have to resort to a system of enforced saving such as that suggested by the well-known economist J. M. Keynes. If we do, I hope and I believe that the people of the country will accept it and accept it willingly as a part of the sacrifice and the contribution which we must make in order to win this war.

In his magnificent speech delivered in this house two weeks ago to-night the Prime Minister (Mr. Mackenzie King) reminded the house that the only limitations the government was prepared to place on Canada's war effort were those imposed by the extent of our resources, both human and material, and by our capacity for sacrifice. Everyone in this country must realize, Mr. Speaker, that this war cannot be won without sacrifices, and that means sacrifices on the part of all the people of this country, not on the part of some alone. I am not one of those who believe that inflation, the most unfair method of financing the war, is inevitable. I believe that we can, that we must and will take the hard way.

Moreover, I am not unduly apprehensive as to what our position will be after the war is over. We shall still have our fertile soil, we shall still have our forests and our mines. We shall still have our skilled workers, and our productive facilities will presumably be largely expanded. I cannot believe that it is beyond the ability and the character of the Canadian people to see that the post-war Canada will be both a better and a happier place in which to live.

Mr. NORMAN J. M. LOCKHART (Lincoln): Mr. Speaker, referring first to the hon. members who moved and seconded the address in reply to the speech from the throne, may I content myself with merely observing that I believe they have now been sufficiently eulogized in this house for their addresses, and I will just say "amen" to what has been said.

In examining what was contained in the speech from the throne, we noticed that there were no particular suggestions to which we could direct our observations and our criticisms; consequently we were in the difficult position of having to wait until the ministers made their statements, or, as they have sometimes been called, their essays, to this house.

It is the right of every member to make observations and criticisms, and no one relishes the inference that in so doing he is actuated

by any particular bias. We are here to represent the Canadian people as a whole. We must accept the statements which have been presented up to the present time to this house, and presumably we are supposed to be satisfied with the limited information which we have been given. We hope that we shall receive also a statement from the Minister of Labour (Mr. McLarty). In part, or, let me say, to the greater extent, I myself am not satisfied with what we have been told.

We have been informed of the vast expenditures which, as all the people know, are evident on all sides. But the public are still without the more definite information for which they supposed this parliament had been called. If we were able to get more definite information, and if this house were to continue to sit until we got it, the public would have considerably more confidence than they feel at the present time. To the Prime Minister (Mr. Mackenzie King) let me say that every one of us realizes the tremendous responsibility which he carries, but our desire is to share that responsibility with him, and considerable regret has been expressed across Canada that he has not followed in this regard more in the footsteps of Britain's man of the hour, Winston Churchill. It has been said that the statement made by our Prime Minister savours too much of lip service. Perhaps that is true, perhaps it is not; but in this hour of crisis he seems to have left most of the burden to rest upon the war committee of the cabinet and other members of his government.

I deem it my duty to point out briefly some of these deficiencies as I see them. I do not do so as a carping critic, and I hope they will be accepted in the constructive spirit in which I am presenting them. Our desire, and I am sure it is shared by all the people of Canada, is to stop the aggressor and drive the enemy ultimately to cover. We desire to join together all the forces which we can assemble to set free the peoples of the world, to give them liberty to worship and to speak as they will.

In the brief time at my disposal I intend to make a few references to some statements which have been given to this house. My first reference will be to certain remarks of the minister who combines the portfolios of agriculture and national war services (Mr. Gardiner). If his speech is carefully read it will be seen that it is divided into three parts. I prefer to deal with them in the reverse order to that in which he presented them.

We all were proud and pleased to have the first-hand information which he gave the Canadian people, telling of the heroic fortitude of the people in the motherland, who are our kith and kin. We rejoice at their courage.

We heard also a report of the minister's activities and contacts with the government of the United Kingdom so far as the sale of Canadian products is concerned. It is quite evident that they desire to purchase from us. I was quite pleased to hear the hon. member who just preceded me (Mr. Abbott) emphasize the fact that already our farmers have made a tremendous sacrifice. It is about time, if we are to believe that this house, in particular in these days of war, is not a partisan body, that members of all parties rose and expressed their opinions as freely as the previous speaker has done.

Great Britain desires to purchase from us. We wish to do business with her. There has been briefly outlined in this house the financial strain to which Britain is going to be subjected. Already we see references to it in the press. As a Canadian, I say that the time has come when, if they cannot pay, we have got to give. We have to find every possible way to meet this emergency, even though, as I have said, we have to provide from our own funds. Great Britain has long kept open the channels of the seas. To that achievement we, in spite of what has been said by the Minister of National Defence for Naval Services (Mr. Macdonald), have contributed but the widow's mite. We must do more in that respect.

As regards the third portion of the minister's remarks, I believe it would have been better left unsaid. Somebody remarked in days long ago, whether writing in prose or poetry I do not know, "Use what language we will, we cannot make ourselves anything more than we are". I did not like the political references made by the minister at the beginning of his remarks; it seemed to me that they cast a cloud, so to speak, over the rest of his speech. Canada must have more vision at this time. At the beginning of the session the Prime Minister assured us that there would be no partisanship, and I think we are all agreed that partisanship should not form any part of our war effort at this time. I urge upon the Minister of National War Services that he be very careful not to cast any doubt upon the ability of industry to do its part in this war. A rather damaging inference has gone across the country. I have already received information as to the results of it, and I urge upon him to be careful and to take steps to see that it does not occur again.

I further ask the minister not to discredit in any way the ability of our workers to do their share in this conflict. There is an inference throughout the country in pegging of wages of our workers. I say to the minister, "Peg costs in Canada before you start to peg what the man is earning by the sweat of his brow". I think we might direct to the minister's attention some of the references that are just off the press, printed in the *Canadian Congress Journal,* under the editorship of Tom Moore, a man who is recognized for his ability. I commend these references to the minister and ask him to read them carefully and inwardly digest them.

I have received many letters, and other members of the house have no doubt received such letters, with respect to the cost of administration in Ottawa at the present time. I therefore urge upon the minister, before he allows any reflections to be cast upon the industrialists or workers or anyone else, that he make sure that his house here is set in order.

The minister has told us of the continuing reduction in prices to the farmers of Canada. This subject was referred to a few minutes ago by another speaker. We all desire to sell as cheaply as possible to Britain; undoubtedly Britain needs our aid in every respect. But our farmers must exist, the same as any other class in the country, and as Minister of Agriculture the hon. gentleman should see to it that our farmers receive every possible consideration at this time. I wish to associate myself, in part at least, indeed, with all that was said by my deskmate the hon. member for Peel (Mr. Graydon). In the approach that is being made to the farmers they find that they are not receiving proper consideration. This has been referred to in the house on previous occasions by many speakers. The pegging of prices continues and multiplies. The announcement made in connection with bacon will have to be accepted by the Canadian farmer, but these same farmers cannot understand why at this time the cost of bran, shorts, middlings and other feed products for their live stock continues to climb, with the country full of wheat, and with the price of wheat pegged. These are things that the farmer cannot understand.

If I were to take time to read one of the comments from a farmer who shows me distinctly that his actual profit on ten acres of wheat is $35.12—and it is worked out in a very careful way—the minister would realize the difficulty which the farmer faces. The payrolls of industrial workers are reaching high levels, and we know that they are working for it. Raw materials and finished products are climbing. When the farmer goes to buy his implements for farming, what does he pay? He is between two fires, and it is high time that something definite be done to relieve the situation.

We are told that the British government does not want our fresh fruits and vegetables, and properly so. Perhaps they are not a requisite over there at the present time. Perhaps they will take only a limited quantity

of canned fruits and vegetables and basic products of the farm. I associate myself not only with what the hon. member for Peel has said, but with the remarks of the hon. member for Yale (Mr. Stirling), who points out the position of the fruit and vegetable growers of Canada. They are between two fires; sales are limited in the United Kingdom, and yet, as the hon. member for Peel has said, we are allowing something like $18,000,000 worth of fruit and vegetables to come in from the United States. *Hansard* will give the exact figures, but I believe that is the quantity that has come in thus far.

An hon. MEMBER: Twenty-four millions.

Mr. LOCKHART: An hon. member corrects me. At any rate, it is many millions. I wish to impress upon the Minister of Agriculture the position of the Canadian farmer. I repeat, he is between two fires: no market over there, for obvious reasons, while at the same time this great influx of commodities into Canada is permitted. The possibility of a market in the United Kingdom is limited, and the home market is taken away to this extent. One of the first duties of the minister is to continue his efforts, because under the special provisions of the trade agreement with the United States there is no reason in the world why the situation cannot be frankly laid before the government of that country; and, judging from their attitude in every other respect, I do not see why great things cannot be accomplished at this time for the benefit of the farmers and producers.

Mr. HOMUTH: He is not a Minister of Agriculture but Minister of War Services.

Mr. LOCKHART: Well, I want the Minister of Agriculture and of War Services, and of all other departments with which he is associated, to do the best he can in this matter. He represents the Minister of Trade and Commerce in Great Britain in some respects. I suggest that he take the Minister of National Revenue, or some other authority, to the United States with him, as apparently he did when he went to the old land.

There is something else he might do under the authority of the Minister of National Revenue. He could not only give some protection to the Canadian farmer but, in conjunction with the Minister of National Revenue as his proxy, he could see what might be done about keeping some $6,500,000 worth of United States periodicals out of Canada. Our foreign exchange must be protected, and I fail to see that all these periodicals now being admitted into this country are an essential service. So I direct the attention of the minister to this possibility of saving exchange.

[Mr. Lockhart.]

Now I pass on to the Minister of National Defence (Mr. Ralston), who I am sorry is not in the house. I appreciate, however, that he is away giving even greater service to our cause. I congratulate the minister on his frank admission of some of the deficiencies in our war effort. He has told us that many things are lacking, and has promised that this situation will be remedied as quickly as possible. Yesterday I was surprised to hear the hon. member for Winnipeg South Centre (Mr. Maybank) rush to defend the withholding of information concerning Bren guns. Well, Mr. Speaker, notwithstanding anything the hon. member may say, the general public expected the minister to give us complete information in regard to this important matter, without any explanations from any other hon. member of this house. The minister referred to certain units that had been enlisted as machine gun units. After many, many months of delay they were demoted, as they called it, and made into infantry units. They did not enlist as infantry units, and they are continuing to beg for machine guns with which to train. The minister has made it clear that not a great deal of this equipment is available, but his words will give some encouragement to these men, who now hope that some day they may be placed back in their original category.

Then I come to the question of the thirty day training, though I do not want to say very much about it. I have given rides to many scores of soldiers on our highways, and only last Saturday one chap said to me in this regard, "Well, at last that joker has been taken from the pack, anyway." Certainly we want trained soldiers, and I commend the minister on his statement that now these men are to be given training that will fit them to take their places beside our other soldiers in the main line of defence, which is across the sea.

Then I would ask the Minister of National Defence, or his associate, who I believe is acting in his place, to look into the food rations being issued to some of these units. I would also ask the Minister of National War Services (Mr. Gardiner), who seems able to handle a great many jobs, to take on the task of seeing that properly trained cooks are supplied to these units. I could give some specific instances if I wished, but it is only necessary to go into these training centres and hear what the men are saying in order to learn the situation. I could give some glaring instances, but I would prefer to give them in private to those in authority.

The Minister of National War Services has a real job to do, and I will ask him either to do the work seriously himself or to find someone who is competent to help him.

Then there is the question of free transportation for soldiers, which rests squarely on the shoulders of the Minister of National Defence. This matter has been referred to many times in this house, and I should like to add my word as well. Surely if we want the highest possible esprit de corps among the limited number of men who have been enlisted so far we should try to make this Christmas and New Year's the happiest possible occasion by giving them some form of free transportation in order that they may get home to their loved ones; some of them, perhaps, for the last time. So that with all the sincerity I possess, I urge upon the minister that he give this suggestion his very earnest attention.

The announcement made by the Minister of National Defence that in future all officers will have to come from the ranks will create more good feeling, I believe, than he may conceive at the moment. Many of the ordinary soldiers will tell you what they have been up against in this regard. I hope that what I am about to say does not apply to any hon. member in this house; but if any hon. member has used his influence to have incompetent young men in their teens put in charge of some of our real volunteer soldiers; if he has used his influence to get preference for these young men, openly and before the world I say to him, "Shame." I have heard that charge made on more than one occasion, but now the minister has made it abundantly clear that if this practice existed in the past it will not be tolerated in future.

There is just one other mystery upon which I should like to comment. Who will stand in his place in this house and say that to-day our front line trenches are not on the English channel and along the shores of the Mediterranean? No one even thinks otherwise, but I want to recall a statement that was made in this house not so very long ago, in which we were told that the Canadian parliament would decide to what extent, if any, Canada would participate in this war. I think all hon. members will recall that statement. Then if we turn to page 200 of *Hansard* for this session we find a question which was asked and answered; hon. members can look it up for themselves. And the minister hastened —yes, hastened—in reply to the question asked, to assure some unseen minority, a handful of men, wherever they may be in Canada, men who were once described as those who wanted to run to the bush in the event of an emergency, that notwithstanding anything connected with the extension of the training period they would not have to serve outside of Canada. I have no thought but to condemn anybody who does not recognize that our front line of trenches is on the English channel and in the Mediterranean. I have no apologies to offer when I make that statement. Consequently I regret the minister's taking so much trouble, as recorded in *Hansard,* to bring out so clearly the point in question. I wonder how our volunteers, who, for reasons which I am not at liberty to express at the moment, are discontented, would take such utterances.

Then, we find another echo in another chamber of this building. From that chamber we are told that we were doing all England expected us to do. Mr. Speaker, I happen to come of British stock, and I believe I share that characteristic, one of which I am justly proud, with most other hon. members in the chamber. Members of my family have gone to south Africa, Australia and New Zealand, the same, I am sure, as the relatives and friends of other hon. members have done. The world knows it, the people in other countries know it, the people of our sister dominions know it, the people in Canada know it—and I believe I could produce correspondence to prove that England made no effort to restrain them. Therefore I cannot understand why the voice of this government echoes in another chamber the statement that there was a limitation placed upon Canada.

Some day history will reveal the facts. Some day the excuse given in this chamber that it is not in the best interests of Canada that we be told anything will be exploded, and at last the information will be forthcoming. Historians will then write the history of Canada, and at that time I believe it will be found that the Canadian people, not through any fault of their own, were retarded in their efforts to defend the empire. I believe it will be shown that this country had the same opportunity as the sister dominions had to do its work, and that it would have done that work had it been given the opportunity to do so. The communications I receive from friends and relatives in those countries, and what I learn from personal conversations, do not fit in with the reports which have been given the house, and which continue to be echoed. Yet we cannot get official information. Some day we will get it. Some day the historians will record the actual position in which Canada found herself.

I must hurry on. Hon. members appreciate the observations of the Minister of National Defence for Air (Mr. Power). We appreciate his observations respecting the air training plan—retarded again, perhaps, for reasons which we do not yet know. Nevertheless a

valiant effort is being and has been made, one which has accomplished great things in the development of the air training scheme. We know that the gallant behaviour of the small number of Canadian airmen who so far have gone overseas will be reflected many-fold in the work of the men being turned out in the Royal Canadian Air Force. Hon. members on this side of the house encourage all that work. We are behind the minister in his efforts. I do not think there is a Canadian citizen who is not proud of what has been done up to the present time, or who would refuse in the future to do anything within his power.

Apparently the time has come when we may speak of our navy in terms other than those of ratings and officers. While in the limited opportunity they have had, our seamen have accomplished much, still greater things are looked for, and it is our hope that we may take our rightful position alongside the motherland in sweeping the seas clear of enemy craft. But I did not like the press comments of a few days ago, one in which the political inference crept in. An attempt has been made to explain it away, but the Canadian public are still smarting under the inference, and their annoyance is felt at a time when the nation is pressing for realities.

May I say a word respecting the Minister of Munitions and Supply (Mr. Howe). Hon. members appreciated his extensive statement in which he outlined the huge expenditures which have been made. We have to win the war, and we have to find money to finance it. We have to provide our men with the necessary equipment. However I would suggest that the minister would do well to read an article appearing in the *Canadian Unionist* of October, 1940, in which we find the following statement:

> One hundred Canadian industries are being financed by the government in order that they may engage in war production.

These are the words of workers. It continues:

> Twenty-five of these plants are new. These one hundred industries are financed from the public treasury; they are nominally owned by the state, but not one of them is operated by the government.

That procedure has been explained. Then, it continues:

> All of them are operated by private companies for private profit under contractual conditions.

Labour is just a little disturbed. Labour expected that at this session we would have more information as to how those contracts were developed, and how they are to be operated. We still have no information, although labour is asking for it. The people of Canada are still asking for it; yet we have almost reached the stage of adjournment, and we have not received it.

Mr. MACDONALD (Kingston City): I do not wish to interrupt the hon. member, but before he leaves the question of war services may I ask him if he has made a statement to the effect that in some way the effort of Canada has been retarded? I did not quite follow him.

Mr. LOCKHART: That is the impression which has gone abroad. If the minister will permit me to say so, that is the general impression throughout Canada. The general impression is that the progress of Canada's war effort has been retarded for some reason or another—some reason we cannot find. We cannot get the information, and for that reason labour, industry and everyone else is still seeking information. Yet, we have not got it, despite the fact that we are drawing close to the time for adjournment. That is the inference I want to make.

There is another aspect of this matter to which I should like to refer. Only a few days ago a soldier and a gentleman stood up in this House of Commons to offer criticism of the government and make certain statements. I repeat that he is a soldier and a gentleman, and anyone who heard him speak will acknowledge that he is. While it is true that certain words which were used have been deleted from *Hansard*, I think someone owes this courteous gentleman and soldier an apology for allowing this language to be broadcast through the country and in the press. I associate myself with what the hon. member for Hastings-Peterborough (Mr. White) had to say. From first-hand knowledge I know that many of his statements are true. Some day we will be able to get information about those matters which were touched upon briefly by the hon. member.

It is to be hoped that the Minister of Munitions and Supply some day will give us more information about the Canadian Broadcasting Corporation. We are hoping that that will happen, and the Canadian people are hoping that that will happen. Someone says that perhaps it is a pious hope. Some day when we are able to get answers to the questions we may ask we will be able to learn why the minister has so persistently hung on to this particular branch of service to Canada.

The Minister of Finance made a very careful statement to this house, and we appreciate what he said. It has been said that it took a Churchill to awaken England, and I think the facts presented by the Minister of Finance will awaken the Canadian people to a realization of what they are up

against. We are hoping—it may be a pious hope—that when the estimates come down we will find that the Minister of Finance has seen fit to eliminate all unnecessary services and the payment of salaries to men about whom we can obtain very little information. Such expenditures should be eliminated. Economy in administration at this time will give the people more confidence—I assure the minister that that is the feeling abroad—than anything else he can do in this emergency.

I join with the hon. member for Yale (Mr. Stirling) in his remarks about organizations being quite willing to help in our war effort. I know of service clubs by the tens, of men's and women's organizations which are looking for some leadership. They are floundering around looking for something to keep them busy, and I urge upon the government the wisdom of utilizing their services.

Last year we heard insults thrown across the floor of the house at the hon. member for Parkdale (Mr. Bruce) in connection with the construction of tanks. Surely any hon. member who is not politically biased will admit now that every statement made by the hon. member in that connection has been proved to be true. The evidence is here, because we are now producing tanks. Let us face the facts. Let us be fair to Canada at this time. I urge all hon. members to get up and express their own opinions.

I want to associate myself with the references which have been made to housing. The housing situation is urgent, and not only in the military centres. There is an article in the *Canadian Congress Journal* entitled "Housing in War-time" which I direct to the attention of the minister. We are informed that home improvement loans have been discontinued. There are scores of young married men and older men who are just recently in receipt of permanent pay envelopes. Many of them are ready to make the necessary improvements to their homes, but they have no facilities to borrow from private enterprise. They are not able to borrow from the government. There is also the inference in the press that the National Housing Act is to be further limited in its scope.

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

Mr. LOCKHART: May I have a minute to complete my remarks?

Mr. SPEAKER: With the unanimous consent of the house.

Mr. LAPOINTE (Quebec East): We have been consenting for ten minutes now.

Mr. LOCKHART: Does the Minister of Justice object?

Mr. LAPOINTE (Quebec East): Far from it. I simply said that we had been waiting ten minutes already.

Mr. LOCKHART: Housing is urgently needed in many centres, as has been stated by labour men. There are a number of middle-aged carpenters and mechanics who could give service in this connection, but in no other way. I urge upon the minister the utilization of every opportunity of assisting in the construction of homes and thus preparing for peace. Home owners constitute the greatest asset that Canada will ever have in times of peace. We all hope that peace will ultimately come; it must come. Surely we have not forgotten the effort and sacrifice of the last war, and I believe we are all fully conscious of what effort and sacrifice will be necessary in this war. Surely the bloodshed and sacrifices of the past, surely the sacrifices that will have to be made in the future will make us decide that, God giving us grace, we should bend our energies towards seeking a perpetual peace. If we strive for peace in the true spirit we will find that the rewards of peace are eminently greater than those of war.

Canada needs leadership, and I urge upon the Prime Minister and the war committee of the cabinet the necessity for seeking out what lesser Churchills there may be in Canada to-day. There are many of them. I believe that our Prime Minister is sincere. We all remember his words at the beginning of this session of parliament. I know that he is not seeking epitaphs, but he may not live to see the end of this war, though we all hope that God will spare him to see it. But we have observed the leadership in the motherland, and our Prime Minister has a war-time duty to perform. When history is written we trust that the same words will be said of our Prime Minister and his war cabinet as were said by Dorothy Thompson of Churchill in one of her broadcasts. I think her words should be spread on *Hansard,* Mr. Speaker, if I may have permission to read them. In her "Salute to Churchill" she said:

> But around you, Winston Churchill, is a gallant company of ghosts. Elizabeth is there, and sweetest Shakespeare, the man who made the English renaissance the world's renaissance. Drake is there, and Raleigh, and Wellington; Burke is there, and Walpole, and Pitt. Byron is there, and Wordsworth and Shelley. Yes, and I think Washington is there, and Hamilton, two men of English blood, whom gallant Englishmen defended in your parliament. And Jefferson is there who died again, the other day, in France. All the makers of a world of freedom and of law are there, and among them

is the Shropshire lad, to whom his ghostly author calls again: Get ye the men your fathers got, and God will save the queen.

And when you speak, Churchill, brave men's hearts everywhere rush out to you. There are no neutral hearts, Winston Churchill, except those that have stopped beating. There are no neutral prayers. Our hearts and our prayers say, "God give you strength, God bless you." May you live to cultivate your garden, in a free world liberated from terror and persecution, war and fear.

I urge upon the Prime Minister, Mr. Speaker, that he consider no partisan views in the selection of his men but that he give us Churchills in Canada to-day.

Mr. PAUL MARTIN (Essex East): Mr. Speaker, the membership of this house, it seems to me, while it has not an equality in function, certainly has an equality in responsibility. Whether it be the Prime Minister or members sitting in the remotest parts of this chamber, all of us, representing as we do definite areas of our population, have a definite responsibility to express not only our own views but at a time like this the views of those whom we represent in this house. Therefore I offer no apology for taking part at this late date in the debate.

We have heard it said by hon. members opposite, particularly those sitting in the middle of the groups to your left, Mr. Speaker, both during this session and last—and there has been a reflection of it throughout the country, not so much at the present time but still articulate enough in certain quarters—that because we are at war this country should have a national government, that because we are at war the Prime Minister should go outside this house and enrich his cabinet with men of extraordinary ability. Mr. Speaker, a government can never be too strong, but I wish also to say to this house that an opposition can be too weak. The crying need in Canada to-day is for a strong opposition, and if I may respectfully suggest it to the leader of the opposition (Mr. Hanson) in the same vein in which he made his suggestion to us on this side of the house, if we can stand enrichment by importations from the outside I think, without making any personal references, that the opposition too could stand importations from the outside.

Mr. HOMUTH: But you need it much more.

Mr. MARTIN: I have no doubt that my suggestion will not meet with agreement on the part of hon. gentlemen opposite because when a similar suggestion was made from the other side of the house it did not meet with agreement here.

[Mr. Lockhart.]

In his address to the house last night, while I do not agree with everything he said, the hon. member for Rosthern (Mr. Tucker), speaking as he did as a private member, did give expression to ideas which I share. I know it is difficult for the ministry at this time, when it is deeply engaged in the tremendous task that faces it, to carry out a greater division of work among all members; nevertheless I do feel that the membership of this house, and the members themselves can lead in that respect somewhat, might be put to more advantageous use than we seem to be at the present time. Committees of the house might well be given the opportunity of considering measures which do not require the immediate decision of the executive.

I propose to-day not to make an omnibus speech but to confine myself to one or two points which I think are important and which I believe have thus far been overlooked. But before coming to these I think I should say that so far as I can judge public opinion in the part of the province from which I come there is a strong demand, or shall I say a strong desire, that those in our armed forces should upon proper conditions be given free transportation. There is also I think a strong demand that the men in our armed forces, not only those in the Canadian active service force but those who are serving in Canada, should not in respect of their military income find themselves taxable for income tax purposes; and the same applies, it seems to me, to the defence tax.

Having said these things I should like to come to the serious indictment made yesterday by the hon. member for Yale (Mr. Stirling) in his speech to the house—and we should recall that he is the chief critic of the government in defence matters. His speech was characterized by his usual good temper, but it did not lay the government open to any serious charge excepting in one particular. He said:

> The measure of Canada's effort last winter was the measure of the government's policy at that time. Now we are told that Canada is making everything. If Canada under direction to-day can make everything, Mr. Speaker, under similar direction she could have made everything last winter, or begun to do so.

That is a serious indictment, and I do not think it should be allowed to go without comment. Associated with that observation was the statement of the hon. member that since the government is the brain of our war effort it must accept responsibility for the difference between the present intensification of our war effort and that of say the first six months of the war. I could say to him with equal justification, although I offer it only because he has raised the question, that

if during the period from 1930 to 1935 the air force of this country had not been seriously cut by a wave of economy, our air force would be in a stronger position than it now is.

Lord Barnby spoke in the House of Lords on July 31, 1940, in respect of the indictment to which the hon. member for Yale has given expression. He said:

There is no point in recrimination or in reviewing the past except, as the Prime Minister said, with the object of fortifying us in our determination for the future. Comparisons are odious in so far as they are made with other parts of the empire, but it is certain that, had the United Kingdom followed the policy of making a greater call, at an earlier date, on Canada's productive capacity, it would have been answered and it would have inspired the Canadian people and impelled the Canadian government to make efforts on their own part much greater than they did, instead of being lulled into an appearance of inaction by the meagre demands which this country made upon them.

Those words, coming from members of the administration of the day, surely should be placed on *Hansard* along with the words contained in the indictment of the hon. member for Yale.

Again, consider the words of Viscount Caldecote, uttered the same day and in the same debate:

I repeat that the very fullest use is now being made of every possible capacity that there is in Canada, whether it is existing capacity or capacity that must be created, that can come into production before January, 1942.

Surely those two statements serve as an extenuating circumstance in respect to that indictment and are a direct lie to the observation of the last speaker that this government, for some reason or another, when the world finds itself facing the greatest test of all time, is retarding our war effort.

Mr. HOMUTH: Is this an excuse or an apology? How about 1937?

Mr. MARTIN: Now, Mr. Speaker, after that echo from the Rocky mountains I should like to come to another point.

The leader of the opposition (Mr. Hanson) spoke in Fredericton on October 9, and I have before me a clipping of his speech as reported in the Saint John *Telegraph Journal* of that date. He was talking about his speech at Toronto, to which I shall make no reference other than to what I think he owes this house in respect of that speech and the three other speeches to which I intend to refer. He said, according to this report:

I have not a word to take back in connection with my Labour day speech at the Canadian National Exhibition at Toronto. I wanted to warn the Canadian people that the Ogdensburg meeting was just blatant publicity for something which had been going on for three years before Mr. King came into power. The Conservative government previous to 1935 had sent military aides to the United States, but the conversations had been kept secret.

In respect of that statement, one should attach to it the query put by the hon. gentleman, that in respect of the Ogdensburg conversations the Prime Minister owed the country the obligation of stating what commitments had arisen out of those conversations. One could equally ask, what commitments arose out of the informal relations between our military officers and those of the United States before 1935 in respect of the very same matter?

Somewhat along the same line but with a special variance, in the Halifax *Herald* of October 10, the leader of the opposition is reported as follows:

. . . the "Ogdensburg conversations" with the United States in which much had been made of defence plans for the two countries. Those plans were not new, but had been developed several years ago in great secrecy and had been pigeon-holed by Mr. King after he had taken office.

Mr. HOMUTH: Hear, hear.

Mr. MARTIN: Someone says, "hear, hear." I do not know what is the justification for saying that the results of these informal meetings were pigeon-holed, but I do not believe that that was the case. And then, to come to the crux of the matter, the hon. gentleman said in this house, when he spoke on this address in this debate:

Now I turn to our relations with the United States. After the Ogdensburg meeting there was set up a joint defence committee and, to say the least, it has been functioning with great publicity. I have never condemned the Ogdensburg conversations. In the speech I made in Toronto I said it was capable of a high and noble purpose, and I believe so yet. But I thought I should sound a note of warning to the Canadian people that what was transpiring at Ogdensburg with great and blatant publicity had been carried on before with profound secrecy.

And then he adds:

And my colleague (Mr. Stirling) told that to the Prime Minister when we visited him on August 20.

The leader of the opposition is an older man than I am, and I trust that he will not think me impertinent if I suggest to him that, if these quotations really represent his true view in respect of the Ogdensburg conversations, the deep implications of that accord and these discussions he has yet failed fully to appreciate. Why should we not tell the world that this country and the United States entered into a joint defence agreement? Hitler and Mussolini, and their ally in the far east—

Mr. HANSON (York-Sunbury): Will the hon. member allow me a moment? Will he be good enough to tell this country if there were any commitments as the result of Ogdensburg? Because I tell him I cannot find out whether there are or not.

Mr. MARTIN: Well, obviously I can only take the words of the Prime Minister.

Mr. HANSON (York-Sunbury): What did he say?

Mr. MARTIN: I do not know whether there are or not, but I do abide by the words of the Prime Minister. And I will come to that in a moment. Why should we not tell the world? At Havana the American republics met and agreed in the face of the totalitarian adventure upon a certain programme. That was announced to the world. Why should we not announce it to the world, as indeed the British Prime Minister took occasion to refer specifically to it in the British house, that Canada in her fight against totalitarianism, in her intimate relations with the United States, has been able at this time to bring the United States closer and closer to Britain? Why should we not tell the world that the United States and ourselves, in consultation with Britain, are prepared to resist in so far as we can here at home any aggression on their part? And then, to say that the collaboration with the United States is of no value to Britain at this time is to misinterpret the full significance of the conversations.

Mr. HANSON (York-Sunbury): Did I ever say that?

Mr. MARTIN: I am suggesting that the hon. gentleman has misinterpreted the implications of these conversations.

Mr. HANSON (York-Sunbury): That is just the hon. member's interpretation, not my interpretation.

Mr. MARTIN: No, because of the statement of the hon. gentleman that what was concluded at Ogdensburg was no more than a confirmation of what had been going on in secret for years, and that certainly, I suggest, was not the case. I suggest to him that the Ogdensburg conversations go away beyond the old type of staff conversations to which he had reference. I suggest to him further that the extensive coordination of defence between these two countries involves important political implications, certainly a circumstance which was not present in the conversations which were conducted before 1935. I suggest also to him that the accord brings home to Canada the implications of the new continental plan put forward at Havana and intended as a bulwark against the dictatorship countries. Is this accord not a corollary of the determination of the United States to integrate her policies with those of other American states in the face of the present world emergency? Does not the accord involve, now or later, the outlet for Canadian wheat and other produce deprived of former markets?

I suggest that defence and economic policies are inseparable. Furthermore, it seems to me that this accord brings home to us the need of our maintaining our independence within the British empire vis-à-vis the United States, particularly in view of the determination of that country to bring about collaboration for the effective defence of the whole continent. Moreover, as I read the accord, it will coordinate our use of standards and of equipment for the maintenance of our first line of defence, which, as the hon. gentleman who preceded me said, was formerly the Maginot line and is certainly now the English channel, our second line of defence being here at home.

It seems to me that the Ogdensburg accord will have the result of preventing anyone from justifiably denying that, together with our recognition that our first line of defence is the English channel, Canada's best guarantee of maintaining her national existence is the frank admission from the beginning that our defence must be worked out in cooperation with the United States on the basis of a single continental defence policy; and these arrangements of continental defence should be pursued in consultation with Britain, with whom at this time we are one.

I have no doubt that this last statement of mine will be construed as placing emphasis on Canada rather than at this time on the problem that faces Britain in Europe. That suggestion has been made with regard to the observations of the Prime Minister in contrast with what the Minister of National Defence (Mr. Ralston) said. But, Mr. Speaker, words can be twisted in any way. All of us in this house, no matter what our views may have been in the past, recognize that if Britain falls, if our first line of defence falls, that will have for us the most serious form of repercussion; but in going closer with the United States in seeking a common understanding with her and, through her, I suspect with other countries on this continent and in South America, are we thereby alienating ourselves from our chief ally, Britain? Are we not bringing them closer within the sphere in which we originated and in which we propose to stay? I doubt very much if the observations made in another

place with respect to Mr. LaGuardia's method of informing the public are calculated to improve the relations between our two countries.

Mr. HANSON (York-Sunbury): Would it not be wise if he restrained himself once in a while?

Mr. MARTIN: That is Mr. Roosevelt's job and not the leader of the opposition's.

Mr. HANSON (York-Sunbury): Yes, that may be true, but it is rather sickening to me.

Mr. MARTIN: It comes with ill grace for us to make comments of that kind when we are doing everything we can to let the people of the United States understand the nature of our problem so that they can give us, as they are giving, every possible assistance in this hour of our trial.

Several members from various parts of the country—from the west, from the maritime provinces and from Quebec—have applauded the decision of the government to implement in its essentials the Rowell-Sirois report. Coming as I do from the province of Ontario, which seems to be singled out for special reference, for reasons that are not too clear to me, I regret the suggestion that this province is not willing to place the interests of Canada above its own special interests. I believe I speak for the vast majority of the citizens of the province from which I come, certainly for that part of the province from which I come, southwestern Ontario, when I say that we are anxious that when the dominion-provincial conference is convened there shall result from its deliberations a common understanding as a result of which we can go on with a greater measure of unity in Canada. The hon. member for Swift Current (Mr. Graham) said he would like us to place ourselves in the position of those who framed the constitution of Canada. I would join with him in that wish, and I think he will find that the largest province of Canada—and it is not because it is the largest—is as much interested as any western province or any maritime province in seeing that the confederation, which is the binding bone of the country, shall not be destroyed or disunited. And if that is true in peace time, surely we are anxious that no loss of effort in our war programme shall take place; we are particularly anxious therefore that the conclusions of the dominion-provincial conference will result in carrying out at least in certain of the essentials the recommendations made in the report.

It seems to me that at this time of war we require certain essentials for victory: First, the maximum of national unity; second, that the money cost of ordinary government functions be as low as possible so as to leave our citizens as much money as possible to pay the enormous costs of carrying on the war; and third, the opportunity of creating conditions as favourable as possible for efficient industrial production to serve the war. In my opinion, the Rowell-Sirois report meets these essentials in a very large measure. For that reason, speaking for myself, speaking I am sure for those whom I represent in this house, I say that we sincerely hope that above the interests of any province will come the interests of Canada, and that we shall not re-make confederation but re-oil it in its effective workings, so that our country may go on to greater and greater achievement and glory.

I do think—and this is only a personal view—that the collection of income and corporation taxes, succession duties, administration and unemployment relief by a single authority is what this country wants and what I trust it will receive. I am interested in unemployment because my constituency is largely an industrial one. We have had a constant shifting of responsibility between the provinces and the federal government for the past ten years. Unemployment and problems kindred to it are national and we should deal with them through the national authority. We should thus be able to handle the problem in the light of its national and not of its provincial aspects. I trust that hon. members who have complained of the absence on the part of Ontario members of references to the adoption of the Rowell-Sirois report, and other members from the province of Ontario, will subscribe to the view I take. Much as we love our province we love Canada more.

The hon. member for Rosetown-Biggar (Mr. Coldwell), speaking in this debate in reference to the general observation made by the Prime Minister, said that the time had come when we should make a clearer definition of why we are fighting. That demand has been made in England of the government, composed of Conservatives and of members of the English Labour party. Mr. Churchill, I presume, spoke as head of the government, in his own name and in the names of Mr. Morrison, Mr. Bevin and Mr. Attlee, when he said that the time had come not for bowing to that public demand but rather for instilling in the minds of the people that, in so far as the clear aim of the war was concerned, it was a definite and worthy one.

The danger in the sort of suggestion that has been advanced by the hon. member for Rosetown-Biggar is this. He leaves the impression that in the absence of a clear

definition of war aims our people may be led to the belief that all we are fighting for is to remove Hitler, and that then we shall not be able to have our people follow us. I do not agree with that. I believe a distinction should be made between the aims of war and the aims of peace or, if you will, between what we are immediately fighting for and the kind of world we hope we shall have after the war is over.

There is no misunderstanding or difficulty as to why we are fighting. We are fighting for one thing, and I believe that justifies the terrible sacrifice the world is prepared to make. We are fighting that above the law of nations shall come the law of God. We are fighting that free men and women may be allowed to live their own lives within certain restrictions. We are fighting that no nation, no matter what its form of government, shall be permitted to plunge an innocent people into misery and death simply because its leader says so. The other day I came across a statement which I had never seen before, which I think clearly indicates the reason for this war, not the kind of world that we are hoping will result from the war but the immediate justification for the war, and it is just as great in its spiritual quality as any justification could be. Here is what Hitler said to Herr Rauschning:

> I am the greatest German who has ever lived. Mankind led by the German race is now in a period of transition, just as it was when men first began to pass from the ape-like into the human stage. Now, they are passing from the human into the superhuman stage. I have preceded them. In so far as there is a God in this world, I am he.

Surely that sums up the reasons for this war. The assumption underlying any demand for war aims would be this, that we could trust Hitler and Mussolini to give the working people of the world, the common man and the common woman, an opportunity to make their way in life; to give them security. No one knows better than the hon. member for Rosetown-Biggar how difficult it was for me to rise in my place in September of last year and vote, together with other hon. members, that this country should go to war. But I say that this world would not be worth living in if we had to undergo another siege of barbarism as we know it under Hitler and Mussolini. Surely the job is not only to get rid of these two men, but more particularly to get rid of the instincts of which they are the product; then, after we have done that, go ahead and try to rebuild an international organization, upon Hitlerite ruins, if you will; go ahead and deal with such questions as the accessibility of raw materials, equality of opportunity, and so on; go ahead and restore

Czechoslovakia, France, the low countries and all the other subjugated nations, and in our own countries have domestic policies that will give new hope and new vigour to our people.

Mr. COLDWELL: The hon. member is giving war aims now.

Mr. MARTIN: No; I am giving peace aims.

Mr. COLDWELL: I agree with those aims, and I hope the government will.

Mr. MARTIN: I am giving peace aims, but I say that to confuse the aim of this war with peace aims is to misinterpret the real force, the real conflict, of the two ideologies that are now striving one against the other. For what are we fighting? We are not merely fighting Hitler. When we have got rid of Hitler, of Goebbels and of Goering, we shall not have got rid of that thing for which the German people have been the philosophical prey for two hundred years. We do not forget that there was a Kant, a Beethoven and a Bach, but we know there was a Frederick the Great, a Bismarck, a kaiser and an Adolf Hitler. We also know that until such time as we can rid a potentially great people of those abuses of false power, there can be no hope, no decency, no civilization in the world.

In this house I represent, as do many other hon. members, a constituency in which there are a large number of French-speaking people, of whom I am proud to be one. French-Canadians, as well as English-Canadians and citizens of central European origin, have their first loyalty to Canada, within the British commonwealth of nations. But it would be unnatural for them not to have a deep affection for the humanism of France, and the fall of France has left the French-Canadian people in my section of the country particularly, I think, with the desire to associate themselves with remarks of the kind made to the people of France by the right hon. Minister of Justice (Mr. Lapointe) and by Mr. Winston Churchill, who on October 21 spoke to the French people in their homes, in high and low places, in these memorable words:

(Translation)

> Good night, then: sleep to gather strength for the morning. For the morning will come.
>
> Brightly will it shine on the brave and true, kindly on all who suffer for the cause, glorious upon the tombs of heroes. Thus will shine the dawn. Vive la France! Long live also the forward march of the common people in all the lands toward their just and true inheritance, and toward the broader and fuller age.

That is one of our war aims, the restoration of France and all these other countries, but

let us not confuse that aim with the immediate provocation that has brought us to arms.

In conclusion, Mr. Speaker, I know those whom I represent in this house would want me to say that while there will be dark days ahead, bringing with them ruin and death, there will be brighter days. The enemy is not invincible. He has been strong but also he has been fortunate. The day of reckoning will come. Then our forces will go from Dover, from Folkestone and from Croydon across the green fields of France, through her villages, her towns and her cities, mellowed by time and civilization, on into the heart of Berlin and of Berchtesgaden. They will go on not to the heart of Rome, for that eternal city belongs not to Caesar but to God; they will go on to the heart of the Palazzo Venezia, standing as it does opposite the monument to Victor Emmanuel, and to the heart of that also. By these various penetrations the victory will be sealed, and free men and women and their children will cry out, "Liberty and Christianity shall not perish from the earth."

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, as has been repeated several times, we have been summoned so that an opportunity might be accorded for the fullest consideration and discussion of Canada's war effort, and to discuss the national problems which the war has served to intensify or to create. I think we will all agree that this is a big order. I believe it will be also agreed that this has been one of the dullest and most ineffectual sessions imaginable. I see very little in the way of results. I wonder why.

Does it not appear ridiculous to try properly to discuss Canada's war effort before we have had statements from the responsible ministers and before we have had access, through our various committees, to factual data and contract material? Ministers have been giving their reports, one each day we have been sitting, and still, three weeks after the opening of the session, those statements are not complete. How can we expect a full consideration of the problem without these two essentials, and without the full reports of all the ministers?

By this time, however, sufficient information has been given the house to indicate certain definite trends—and some of them I fear are not very good ones. The first is the wholesale recruiting of a noble army of controllers from organized industry in Canada. About thirty-seven boards, committees, bureaux and panels have been set up, and if we read through their personnel we might conclude that we are reading "Who's Who" in Canada's big financial and industrial interests.

In the most important department of government, that of munitions and supply, these people have been taken in and clothed with all the power of state. The administration has geared big business into government officialdom. I should like to warn the administration now that the same tactics and plans were followed in Great Britain, and they failed. I suggest the reasons are obvious—not that we are charging unpatriotism, but man is naturally a creature of his own environment. Unfortunately for the common people in Canada, in recent years big business has become almost a law unto itself, and its representatives are nourished and trained in the atmosphere of greed and selfishness. Profits are the big thing to them. Dividends, the ruthless wiping out of small opposition, cut-throat competition, even restraint of production are encouraged, so long as they bring big profits.

What we now require is efficient production and, above all, the delivery of goods. There should be no patronage and no profit. Industry, finance and labour should be working together in this great effort so ably outlined by the last speaker. Has there been a complete change of heart in these men who represent big business? I believe that it was the armament business in Europe which was largely responsible for our present plight, and that Germany was armed because there was money in it. I believe that France was betrayed because there was money in it. Has Canadian big business become repentant, since its conduct in September, 1939, when it refused to touch our contracts, when profits were limited by statute to 5 per cent? Has it suddenly decided that profits are to be only secondary from now on?

These men find themselves in a rather impossible position. Their loyalties are divided. In the past they have subscribed to the creed that "patriotism is a very fine sentiment but that it must not be allowed to interfere with our sacred duties as the trustees of our shareholders." We do not believe in these sudden conversions; they never last. But we will have to remember that, if we are going to be successful, that motive must go. It was that greed and profit motive which ruined Canada in the time of peace. That is what brought unemployment upon our country, and made it necessary for us to spend a billion dollars upon relief. That is what turned one million of the eleven million people in Canada to relief lines, and caused us to have a forgotten youth without opportunity, and to have starvation in the midst of plenty.

We in this group have pleaded for the taking over of the essential industries, under experienced supervision and efficient control. That had to be done in Great Britain. After they passed their mobilization act, they went to work and did it. I believe that ultimately we, too, are going to have to do it. We repeat that plea to-day. It was only after that was done in Great Britain that they performed the miracle in production with which they thrilled the world. They are equalling to-day the accomplishments of that great man, Mr. David Lloyd George, in the days of the last war. Assure the people of a square deal; assure them of some equality in the sacrifice, and you will make the greatest contribution toward a united people.

The signs of what is happening may be revealed by an article which appeared on the front page of the Regina *Leader-Post* of November 15, 1940, under the name of B. T. Richardson. It is in these words:

> Reports heard in Ottawa indicate that chaotic conditions are threatening along the industrial front unless a large measure of broad and intelligent planning is applied to war industry, because shortages of labour, of industrial capacity, of power and of raw materials have appeared. The situation that is developed is due basically to many branches of industry, all well loaded with large war contracts, competing without regard to any central plan for the sinews of production.

Is it not significant that the Minister of Munitions and Supply (Mr. Howe) rose in his place in the house on November 20 and, after giving the membership of the board, stated that it had been appointed on Friday, November 15? This appointment was made fourteen months after the war began. It is said to be a board to coordinate the war effort with regard to the requirements and sinews of war. Does it not seem obvious that it should have been one of the first boards to be appointed?

The actions of some of these war-time boards in western Canada are subject to some question. If one were to review briefly the history of the grain trade in the west, he would find that for years the grain exchange exploited the western farmer. In my humble opinion, the amount of money they took from western agriculturists is about equal to the debt which now weighs so heavily upon those people, and which threatens to crush them entirely. It amounts to hundreds of millions of dollars.

Trying to solve this problem, the people organized their pool elevators and pool organizations. After years of struggle and fighting they built up a tremendous organization for the purpose of handling grain. At the present time they handle almost fifty per cent of the wheat delivered at country points, in spite of the fact that they have much less than 50 per cent of the elevators built in that western area. The government control boards, by the very simple operation of alloting cars for the handling of grain to those country elevators in proportion to the elevator space at those points, instead of on the basis of the business handled last year by the companies at those points, have compelled many of the growers to use the facilities of other companies.

It is most important that a cooperative pool organization should keep its membership at the highest possible point. So, to save any loss of customers, they spent millions of dollars in order to provide this year extra temporary storage space. In spite of that, we find that the percentage of the grain handled by them to October 31 of this year had dropped to 40·8 per cent, compared with the 45·51 per cent which they handled last year, and the percentage handled by them had been increasing for a number of years. This experience causes some alarm. The greatest threat to profiteering industry is the cooperative, and we do not like to see these cooperative organizations being sabotaged in this manner. I hope before this session is completed we shall have further legislation to stop this kind of thing, and I hope we shall have no more of the type of legislation passed at the last session to impose the processing tax.

It will be remembered that when the resolution was before the house we were assured that the millers and bakers would absorb this processing levy, which would amount to about $7,500,000 on 50,000,000 bushels of wheat. Before the bill got through the house and became law, the millers were simply made the collectors of the levy, they having to collect it from the purchasers of the flour. The levy being passed on to the bakers, we then found the bakers boosting the price of bread by one cent a loaf. Immediately the price control board came into operation, as it should, and stopped the increase in the price of bread, and the bakers were told to sell their bread at the same price they had charged previously. Had that not been done, the bakers would have stood to profit by about $12,000,000, which is considerably different from a loss of about $7,500,000. This figure is based upon a consumption of 50,000,000 bushels and the fact that about forty loaves of bread can be made from one bushel of wheat. A few days after the house adjourned last August, an order in council was passed rescinding the order of the price control board. Apparently we shall have to be constantly on the alert to see that the price of this commodity does not rise.

The second thing which the people of Canada are asking this parliament to do is to see that during this war the money they pay in taxes is not wasted. Investigation of these matters is quite impossible until the different committees are functioning. I should like the government to tell us why the public accounts committee is not functioning. Contracts are being awarded by the thousands, and we have been told by the Minister of Munitions and Supply (Mr. Howe) that about $500,000,000 worth have been let in Canada. The public accounts committee should be reviewing the war expenditures and the type of contracts that have been let, as well as the organization of the new government plants and any other plants to which the government has lent money. All we have had made available to us are the contracts let to September 1, 1940, which information is contained in several volumes, most of them containing over 600 pages. What do we learn from them? We learn that a number of new companies have been organized, and the parentage of these companies should be the subject of investigation. Opening a volume at random, I find the following at page 235 of the record of contracts awarded to the end of July:

File number: A8568.
Name of contractor: Kenwood Mills Limited, Arnprior, Ontario.
Commodity: Blankets.
Date of order: July 15, 1940.
Delivery: Commencing August 10, 1940, or sooner, at rate of 3,000 or more weekly, completed September 30, 1940.
Destination: National defence inspection room, 138 Queen street, Ottawa, Ontario.
Amount: $99,123.75.
No. of order in council: 3965.

What is the price being paid per blanket? What quality of blanket is being furnished? This information is not given. The Minister of Munitions and Supply has said that we may ask any question we wish, but does he want 200 of us to ask him questions about each one of these thousands and thousands of contracts? We should have this information. This public accounts committee has not been functioning. One of our duties this session should be the reviewing of these contracts. That is what the people want to know. I understand that this committee has not functioned for years, but the people want to know these things now. This information will fortify their faith; it will go a long way towards clearing up the mystery and suspicion that surround government action. I think it is the duty of every hon. member to demand that as a representative of the people he be told the facts.

In spite of the fact that agriculture is in its present terrible condition, the agriculture committee is not sitting. I understand that this committee has not sat for at least eighteen months. Last session we were promised a health committee, but I do not see that committee in the list of committees we were given the other day. The railway committee is not sitting, nor is the committee on marine and fisheries or the committee on banking and commerce. There have been no sittings of the committee on mines, forests and waters. This information should be public property. The facts which could be brought out by these committees should be brought out now.

We in this group have been attacked during this session by hon. members who should know better. We cannot say, as the leader of the opposition (Mr. Hanson) and the Prime Minister (Mr. Mackenzie King) can, that we are surrounded by a galaxy of constitutional lawyers. But we can say that we are fighting for humanity, that we are fighting in order that the people of this country may be given an opportunity to live decently and well. We are still fighting for freedom and democracy. We have been trying to build up an order of society in which cooperation may live. We are pleading for social security. We do not mean security for the upper groups in any community, or for the middle class or for those in the lower brackets; we are pleading for social security for the whole community. We are fighting the battle of those who toil and suffer, of those who, while they produce the wealth of the country, find themselves in a disgraceful condition of unemployment and insecurity. Lack of opportunity has existed for many of these people simply because they have been dispossessed.

There now exists in the minds of many people the suspicion that intimidation and discrimination are being practised in connection with the enforcing of the defence of Canada regulations. There is still much to be desired from those regulations. The hon. member for Rosetown-Biggar (Mr. Coldwell) and the hon. member for Vancouver East (Mr. MacInnis) stressed this point. The other day I was pleased to hear the hon. member for Parry Sound (Mr. Slaght) voice his approval of the suggestions which had been made, and I feel quite sure that his opinion will have considerable weight with the Minister of Justice (Mr. Lapointe). But I should like to quote what he said as reported on page 309 of *Hansard:*

We hear these regulations attacked, sometimes with much vigour, on the ground that they are not in accordance with British justice—great stress is laid upon that phrase. They are attacked in the press and elsewhere, and

I wonder whether those who attack the regulations on that ground are aware that, so far as the internment of subversive elements is concerned, our regulations are patterned precisely upon the British regulations as they exist to-day.

I should like to point out to the hon. member that our regulations are not analogous to the British regulations, particularly British 18b which corresponds to our section 21. I would point out the difference to him. There is a difference between the British regulations and ours, and I offer the suggestion that an early review and an amendment of these regulations be made in order to remove some of the evils which exist in their application in their present form. That is most imperative. The first consideration that I should like to suggest is that a sufficient number of committees be set up to deal properly with the large number of cases that are passing before those responsible for review, and that provision be made to assure that objecting persons have sufficient factual material to justify their charge against the accused.

Let me give a concrete case of abuse. It is a case that occurred in this very city last summer. On the 6th of July a certain Ernie Myerhoffer, a resident of this city, was arrested on the allegation that he had said something in contravention of regulation 39. Bail was set, but being poor he could not pay it and he had to remain in gaol. The unfortunate part was that it was the 30th of July before his case came up for review. The hearing lasted only a few minutes because the only witness for the prosecution upon whose information the arrest apparently had been made had no evidence to give. He had not heard the accused use the language in question, let alone the particular statement he was alleged to have made. The crown attorney apologized to the magistrate and the case was dismissed. But in the meantime that poor man's family had been evicted from their home, and hardship had been suffered. Such things are disgraceful and should not occur.

I am going to repeat the recommendations which have been made by others and which, I think, should receive serious consideration by the government. First, there should be an enlargement of the reviewing committees in order to satisfy the public that there can be no discrimination. Second, there should be a widening of the scope of the information to which the accused may have access so that he might know his crime and the charge laid against him, and the evidence so far as that is possible.

I want to pay tribute at this time to that portion of the Canadian press—I am afraid it is mostly in eastern Canada and mostly west of here—which has fulfilled one of the great functions of a free press, that of the defence of liberty when it sees it attacked. We do not seem to have that kind of press in certain parts of the west, but elsewhere when there has been a great duty to perform in Canada there have been editors of newspapers who in their press and in their position as editors have seen fit to draw attention to the serious defects in the defence of Canada regulations. They seem to realize that democracy can be maintained only so long as the people have faith that the ends of justice are being properly served.

One of the national problems which this war has served to intensify is agriculture, and I want to tell this administration that the country feels this severely. Other industries are booming. Every report in financial papers and industrial magazines shows a tremendous upcurve in industry. Agriculture alone is forgotten and kicked down. I would recall to the Prime Minister his words which appear at page 48 of *Hansard* of this session, when he was speaking of what Hitler's regime would be like were he to subjugate this country. He said:

> Their economies will be economies that satisfy the greed of their masters; their farmers will be peasants, and their workers, slaves.

Let me inform the house that to-day thousands of farmers in Canada are peasants and thousands of our workers, slaves. There is every evidence of a determined effort in certain mining and industrial areas in the east to keep the workers slaves. There seems to be a determined effort to prevent the organization of unions. It seems to me that if those who are opposing the organization of unions would look into the facts, they would find that where labour is organized there are fewer strikes and more peaceful and efficient operation of industry than where labour is not organized.

With regard to agriculture I have seen a great people in the west, a free people ready to make their contribution to the world and already making it, turned into a peasantry under the actions of the present Minister of Agriculture (Mr. Gardiner) both in the west and in Ottawa. Things look extremely desperate for the people in the west now, and they are feeling the full force of the policies or lack of policies of this administration.

The report of the Minister of Agriculture on his return from Britain was a slap in the face for many people who had put their trust in him. Agriculture is a national problem for Canada, and it is a calamity for many people engaged in it, particularly in the west. We find that in the average community the

whole economic structure is slowly collapsing. Doctors are moving out of many districts. Store-keepers can no longer advance credit to keep the people producing, and the producers under a lower standard of living are moving out. The ordinary social activities of many disctricts have largely ceased. Schools in many parts are becoming mere slum schools. The municipalities are so hard pressed that they are forced to prevent the farmer from selling his crop until the municipality has seized its share. The municipalities have their taxes hypothecated by the banks; then they have to go back to the banks in order to borrow more money to carry on their ordinary activities, and the bankers direct their policies—the amount that shall be spent on relief, how much shall be granted to a school district, how much shall be made available to the municipality to carry on. Mortgage and machinery companies cannot collect their accounts in many areas this year. They cannot get blood out of a stone. They could not make the farm pay by running it themselves, and so they just add on the interest and wait for the break to come.

I am fearful that if agriculture in the west becomes a business proposition where profits can be made out of the growing of grain, many of our farmers will find that they are no longer possessors of their land. I would remind the house that 90 per cent of the farms in Saskatchewan are mortgaged, and less than 5 per cent of the farmers of the province are out of debt. Crops in Saskatchewan have been meagre for years because of lack of efficient machinery and power, and the land has become weedy. The consequence is that the homes are suffering deterioration. In less than 1 per cent of the farms does one find buildings with much paint on them. Clothing is scarce, and the farmer who in better times carried life insurance finds that this, too, has gone. He can no longer protect himself against hail. Medical and dental attention is required in the family in about three out of five cases. This year there is a harvest, but what the farmer can get from his crop on delivering his first quota will in many instances, scarcely pay for the cost of harvesting.

The Minister of Agriculture, after visiting the mother of parliaments, says on his return to Canada, "Why should the government change its policies with regard to agriculture? The policies are Liberal; they were endorsed in peace time by the farming population when proposed in 1935; they were put into practice for four years and endorsed in war time no later than March 26 last." His crowning contribution to the house in this time of stress was to gloat over his power to create unemployment among those who had presented themselves as candidates for the opposition. I wonder whether that is, if I may use the words of the Prime Minister, the "armour of God," with which the administration is clothing itself at this time.

Speaking last Friday, the Minister of Trade and Commerce (Mr. MacKinnon) said this:

> I hope that what I have said this afternoon will not be construed as an argument that all the wheat growers are in a happy position to-day and that little need be done for them. They are not unmindful of the responsibilities that Canada is assuming, and although the 70 cents per bushel advance payment may not give many farmers even a meagre profit over cost of production they are accepting this as part of their contribution to the war effort.

And he ends with this remark:

> We are undertaking to see that they do not bear an unfair share of the burden.

I should like to remind the minister that he has there made a great promise. I wonder whether he realizes the full significance of it.

The growing of grain at a loss in the west means that a debt is being piled upon these people which they cannot surmount. Making that contribution at this time may mean, in a few years from now, the entire loss of everything they possess. Unless you give them protection; unless they obtain some form of moratorium; unless the seizure of their homes by mortgage, finance and machine companies is stopped, the contribution which they will have to make will be the loss of everything they possess.

I was glad to get the minister's promise. We in the west, particularly our farmers, have been promised a great many things. In fact, to many of these people Canada is really now a land of promise. They were promised lower prices on machinery, but they did not get lower prices. For a number of years they have been promised real debt legislation, dollar wheat, interim payments and final payments. Township 23 in, I think, range 5, was promised a bonus on March 26 last. I should like to know from the Minister of Agriculture if that bonus has yet been paid; it was not paid last July. There must be a moratorium placed on debts, a parity price fixed for those commodities which the farmer is growing, a payment on his stored grain, and some of those payments which were promised to him less than a year ago. If that is done, there will be some recovery. There will be a recovery of homes, which is important, a recovery of hope, which is of more importance, and a recovery of morale, which is of the greatest importance. Our population will then be able to make an effective contribution to the war.

Many young men in the farming areas were unable to make homes for themselves. Several years ago it was announced that they would be allowed a payment of $5 a month; that grant was given to them so that they could go out and work and make homes for themselves. That was the way in which this government treated the young men who were to constitute the next generation of a great Canada. And they read in the records of this house that ex-members of this parliament were to be granted $200 a day and their expenses.

Consider the situation of a young man, say about twenty years of age, wondering what he can do towards the building up of Canada, and in love with the girl over on the next farm. He finds that he cannot make a living; his father cannot help him to get started. So he goes out to work for a neighbour at $5 a month paid by the government; and when he learns that some other person, now a member of this house, is to receive $200 a day, he starts to figure up what that person could earn at that rate in a month and finds that it amounts to $6,000. He then starts figuring out, "How long would it take for me to make that much?" and he calculates that it would take him just 1,200 months at his then rate of pay, working twelve months a year. In other words, in one hundred years from now, when he is 121 years old, he will be able to celebrate his birthday by coming home, marrying the girl with whom he is in love, and living happily ever afterwards.

This young man, however, now finds out that his country needs him. He is willing to fight for his empire when he sees it attacked, and to-day he is in the army, the navy or the air force. As he lined up to go to camp, he wonders again whether his services are going to be appreciated. If he is successful in passing the medical examination, which many years of privation have made it difficult for him to do, he is sure at least of sufficient food and clothing. He is now in camp, Christmas is approaching, and he wants to go home on leave; yet he finds that under existing regulations his transportation will cost him anywhere from $30 to $50, depending upon the distance to his home.

I spoke during July on this matter, and I have been pleased to see that since that time hon. members in all parts of the house have been advocating that something be done in this regard. These men are giving everything; they are willing even to sacrifice their lives. Are we in Canada not prepared to show at least as much appreciation as is expressed in this small concession? I feel sure that the administration will do something, and I am going to leave it at that. I hope that it will not be confined to Christmas leave. I hope they will see to it that our railways will carry free of charge any member of our forces when he is on official leave.

May I refer briefly to another matter before I close?

Mr. DEPUTY SPEAKER: I am sorry to have to remind the hon. gentleman that his time has expired.

Mr. CASTLEDEN: With the permission of the house I will finish, briefly, what I had to say. In the constituency I represent there are several Indian reserves. I was called upon by some of these Indians to meet representatives from the reserves, and I found that conditions were rather terrible. On one reserve, namely the Gordon reserve at Punnichy, there are fifty families of Indian farmers of whom, I believe, less than sixteen are producing sufficient of any commodity to keep themselves alive. Trapping, fishing and hunting, which used to form a large portion of their means of livelihood, are almost gone. The health, education and morale of these people are low. There are some fine people on these reserves; there are fine qualities of character which are capable of development if these people are given a chance, but there is no one to present their case. No one will speak for them; they have no votes. Last winter there was a tragedy at the school in that reserve. I hope the minister responsible will take the first opportunity to look into the matter of the reserves in that area and improve the conditions which now exist.

In conclusion, I would say this. I agree with what Mr. Ernest Bevin said recently, that "one of the biggest factors contributing to this war was the failure after the last war to erect an economic structure of society which was based on humanity." I wonder whether we are going to learn anything from that. I submit that we should be seeing to it that we plan and start erecting such a structure in Canada now.

Mr. W. B. MacDIARMID (Glengarry): I should like to say a few words with regard to the problems of the farmers in my district. I wish I had some of the oratorical ability of the late Sir Wilfrid Laurier and also some of the foresight, diplomacy, tact and gift of repartee of Sir John A. Macdonald, so that I might place before this house the problems that beset our farmers at this time.

In my opinion food was the chief factor in the winning of the last war, and lack of

food was the cause of the collapse of Germany. The food blockade of enemy countries and the production of food in the allied countries constituted one of the chief means of winning the last war, and we are all of the opinion that the same means will be responsible for victory in this war.

There is one thing on which, I believe, this house is unanimously agreed, and that is the winning of the war. We all want to win the war; I do not think there is any disagreement on that score. And we all want to win it as speedily as possible and with the smallest loss of life not only to our Canadian soldiers but to the soldiers of Britain who are fighting for the freedom and the liberty of the world.

These soldiers of ours are fighting against the savagery and barbarity of Hitlerism. If Hitler were here to-day, how many of us would be living? I would have been shot days ago, or perhaps months ago. None of us would be living if we dared to express our thoughts against the government in power or against those directing our affairs. We do not appreciate our blessings. We rise in our places in this house and argue and criticize, but if we were under Hitler it would be execution for us. That is one reason why, I say, we do not appreciate the work of our soldiers and the work of this government.

This government was elected on the platform that it would carry on the war. Its members were elected from the Atlantic to the Pacific, and the people having elected the government, the government is responsible and it should carry on. It should carry out its platform, and I cannot see why all of us cannot concentrate and cooperate with the government to that end. Let the government carry out their promises and, if they do not, then we can do the same to them as was done to the last war government. These are the views of a newcomer, one who is inexperienced and unable to express himself as he would like.

A noted general once said that an army cannot fight on an empty stomach. The morale and courage of any people who have been bombed incessantly for the last few weeks and months cannot be maintained as it should be if those people, and especialy the women and children, are hungry. Therefore it is our duty to produce food and send it to them to the limit of our capacity to do so.

That is the problem we have to deal with in my constituency. Our farmers are of Scottish and French descent for the most part, and I do not want any member to rise in his place, either on this side or on the other side of the house, and tell me that I do not grow wheat or raise cows or hogs or produce milk. I have been raised, and I practise my profession, among these people, having lived among them all my life, and I am qualified to discuss their trials and their problems. Our farmers work from early in the morning until late at night, twelve months a year. I can vouch for this because in my night visits in the practice of my profession I see lights burning in their barns hours before daylight and long after dark. They are patriotic and loyal, and many of our farmers' sons are now in uniform.

The trouble with our farmers is that they have to pay too much for the commodities they buy in comparison with the prices they receive for the produce they sell. In my district the majority of the farmers depend upon milk and hogs. The production of milk in the winter months depends upon bran, middlings and feeds of that sort from the west, and prices of these articles have risen very high. It is said that the reason is that the millers have unlimited quantities of the best flour in the world, but they cannot send it to Germany or to France. They cannot unload it, and so they raise the prices of these necessary foodstuffs which our farmers require. Thus our farmers are penalized.

Last year our farmers were not receiving $1 a hundred for cheese. They were getting 87 cents and now they are getting $1.10. Mr. Singleton, the agricultural representative, said that the farmers should produce more, that they should produce all that they could, because the old country needed our cheese. How will they produce more if they do not receive more for their milk? It is a serious question in my constituency.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. MacDIARMID: As I have said already, Mr. Speaker, our farmers are having great difficulty in maintaining the production of milk and cheese, which is so necessary at this time. Our farmers are very loyal and patriotic. Many of them in my constituency come to me with their problems. One or two have been widows, with only sons twenty-one years of age, who were running their farms. If these boys have to take military training, the work on those farms cannot be done, and production will be lessened. As you know, farmers work on

schedule. The other day I heard an hon. member ask what was schedule. To us it means on time. I know at least one farmer who has a clock in his barn. His cows are milked at a certain hour at night and a certain hour in the morning, and it is necessary that all these matters be attended to by experienced people.

If there is no one to take the places of these young farmers when they are taking military training, production will suffer, because to-day no one wants to go on a farm and feed cows, clean stables and so on for the wages the farmers can afford to pay. It is utterly impossible to get any help. With the wages being paid in the munitions factories it would be foolish for a man to work on a farm for a dollar a day and his board. And then, when he works in a factory, he is through at five o'clock in the afternoon.

This is one of our great problems. I understand there are to be no exemptions from military training. What is going to happen, then? These widows to whom I have referred are unable to do the work on their farms. What are they to do? They have asked that the military training of their sons be postponed, but I would suggest to the government that if they want to maintain the production of milk and cheese they should adopt some regulation which would permit these men to stay on the job.

That is one suggestion I have to offer. Another would be that in view of the high cost of winter feeds, such as middlings and bran, that are necessary for increased production, the farmers should be given an increased premium on both cheese and pork, in order to stimulate greater production. Only last Saturday a farmer was in my office. He said he had sold six pigs and that he had to take a cut of $10 each in the grade. Another man told me that on each of seven pigs he was cut $4.50, which took away all the profit. Perhaps that does not seem very much to some hon. members, but it is a good deal of money to the farmer.

Another matter into which I think the government should inquire is the exorbitant prices farmers have to pay for their machinery. Just a few days ago one farmer told me that he had paid over $400 for a binder, while another said that he had paid over $300. Those machines are used for only a few days, and then are put away in the shed. The same thing applies to mowers; all these machines cost three or four times their old prices. I cannot see any reason for such tremendous increases in the cost of these implements which the farmer has to buy in order to carry on his work, especially when many of them are used only for a short time during the year. So I think this government should take some steps to reduce the cost of the machines the farmers have to buy. If that cannot be done, the government should increase the prices of the commodities the farmers produce, in order to make up for the increased cost of the articles they have to buy.

I agree with the hon. member who said that it was necessary to have our boys properly equipped and trained before sending them overseas. I would add that we do not want our boys to go over there with paper-soled shoes, the wrong rifles, the wrong ammunition, and without proper training. In the last war I think some of our men were sent overseas before they were ready. I do not blame the government of that day, because they did what they thought was best, but I know personally of many fine young Canadians who were sent to France in the last war with insufficient training and improper equipment, and who simply became living targets for the guns of the huns.

Last winter I received a visit from a soldier, a private, who also served in the last war. I asked how the equipment compared, because we had heard so much criticism in that regard. He showed me his boots and said, "These boots are wonderful. You cannot get anything better." Then he showed me the warm clothing, the socks and so on, and said there was no comparison between the equipment he received in the last war and the equipment issued in this war. That is a concrete case; I know what I am talking about, and am not repeating anything from hearsay.

Another hon. gentleman said that our first line of defence was in England. I think we will all agree with that statement. But would it be good military tactics to have only one line, with no second and third lines behind? I do not think so. I believe the Pacific and Atlantic coasts of this country should be fortified, because we do not know what may happen. I do not know personally, but I believe the government are doing just that without saying anything about it, and I think they are wise in doing so.

We have heard the statements of the various ministers, and I do not think any men, no matter where you chose them, could have done better work. We have heard criticism of them—very weak criticism—pointing out what should have been done two or three years ago. But what government would have dared go to the Canadian people at that time and say, "We want $500,000,000 to spend on armaments here," when France, Belgium, Denmark and all the other countries did not themselves know enough to start fortifying? Would it not

have been ridiculous for a country with ten or twelve million people to take steps to protect the countries of Europe from themselves, when they were doing nothing at all about the matter?

It has been said also that from 1930 to 1935 the defence estimates were reduced. I believe the government then in power acted for the good of the country in reducing those estimates; they helped keep our taxes reasonably low. So I do not think we can criticize them for what they did, just as they should not criticize this government for not having done certain things three or four years ago.

As I said earlier in my remarks I have carried on my practice in three agricultural constituencies, Glengarry, Stormont and Prescott. I have been among these people all my life and I think I know them pretty well. I have heard something said in this house about starvation. I have never seen anyone die of starvation through lack of food. I have seen people die through starvation arising from some malignant disease, or through some wasting disease which would not permit them to assimilate food, but I have never yet seen anybody die of starvation from lack of food. Those who say that we are undernourished and are not fed when, in fact, we have plenty, are giving Canada a bad name. I know our farmers and other residents, if they knew what was happening, would never allow anybody to go hungry or to be cold. The people in my community would not rest if they thought there was anybody among them starving or cold. I know the residents of my constituency, and I know that they are composed of both Scotch and French.

We have heard it said that people in certain districts of Canada do not receive proper medical care. I know of medical men in my district who have attended people for years without any remuneration. They believe, as I do, that if the Almighty has given them strength to practise the medical profession they should go out to heal the sick and to relieve the ills of this land, whether or not they are paid for it. I believe, along with those medical men, that they should go out and do good by attending the needy, when it is necessary so to do.

Time and again I have had occasion to ask services from doctors in this city of Ottawa. They have always helped, and they have not been paid for it. Then, medical men in Montreal have given service when patients were not able to pay. Some who speak are very much exercised about the condition of people in the wide-open spaces, people who are far removed from civilization and medical attention. Well, if we look at it from the other side of the picture we might ask ourselves this question: Is it not criminal for a young man to take his bride away from civilization, and attempt to rear a family under those circumstances? I do not think we should blame the municipal, provincial or federal authorities, if those people wish to take a chance. If I choose to go on a hunting expedition and get hurt, I should not blame the authorities if they have not the proper medical attention for me. That is up to me, entirely. The Lord has given me sense and has given most people sense, and we ought not to attribute our difficulties to any government if we are not looked after, under those circumstances.

As one hon. member has said, we in the House of Commons are friends; we want to cooperate. If Sir Wilfrid Laurier, who was at one time the revered leader of the Liberal party, and if Sir John A. Macdonald were in this chamber to-night, facing each other in this time of stress, as the representatives of the two great races in Canada, I am sure they would cooperate, no matter which one was in office. I believe they would both put their shoulders to the wheel to do their best for Canada by submerging all political aspirations and ambitions. I believe that should be done by those who sit in this house to-day. Criticism is all right, but at this time I believe we ought to cooperate.

Possibly I am not speaking according to Hoyle, but I do not believe any party, whether in office or not, should now support the enactment of legislation which would entrench them at a time of any future election. Neither is it the time for any political party which has been travelling under an assumed name to revive, resuscitate and rehabilitate itself. Neither is it the time for any party to have passed any social legislation which would not be in the best interests of the country.

Mr. J. G. TURGEON (Cariboo): Mr. Speaker, it seems to me one point which has arisen directly from the fact that Canada is at war is that parliament is coming back into public esteem. People and newspapers that urge to-day that parliament should be sitting constantly, only a short year or two ago were regarding parliament as a public nuisance, a device through which the money of the taxpayers could be wasted. The participation of a member in this supposed waste of the money of the taxpayers was measured by the time consumed by him in speaking to the House of Commons upon public matters; costs were calculated in dollars and cents.

I believe any person who is truly in love with British principles and the British system of government will not only welcome this

change but be delighted by it. In totalitarian governments there is no such thing as public opinion. In a government such as we have in Canada public opinion is the most sensitive and at the same time the most vital force in a government, whether legislative or administrative.

There are many phases of public opinion I should like to discuss this evening. Time will not permit my discussion of all of them, but for a moment or two I shall deal with something which for several generations has been close to the aspirations of the Canadian people. It is true that it has been discussed so much at this session and throughout the country during the last six months that it would be worn threadbare now, were it not for the richness of its texture and for the fact that it has been and will be the most strengthening force in Canada's conduct of the war. I refer to what on many occasions has been eloquently described as unity of thought in Canada. It is my personal conviction that this is a unity of thought and action which will continue to abide with us when war is over, and when the problems of peace are before us for solution.

Like every other hon. member who has mentioned the matter of unity among those of different race and language, and like many thousands of people throughout the country I give the greatest credit and express the highest appreciation to the Prime Minister (Mr. Mackenzie King) and the Minister of Justice (Mr. Lapointe) for the work they have done in bringing about this condition of unity not only between Ontario and Quebec, but among all phases of our population, whether they be divided economically, as by classes, geographically, between the east and the west, or by race and language, as are the people of Quebec and those in other parts of Canada.

Addressing for the moment hon. members from the province of Quebec, and speaking as one who knows well the Pacific province in the extreme western part of Canada, I say that in the work he has done in bringing to a head all the efforts which have been made toward unity of purpose, the Minister of Justice has certainly touched the heart-strings of the people in British Columbia. Continuing my talk to hon. members from Quebec I say that no man excels the Minister of Justice in public estimation in British Columbia despite the fact that he comes from the French-speaking, French-thinking province of Quebec.

But to these two men whose actions I extol, all credit is not due. There has been leadership which has brought about certain results, but leadership comes from inspiration. I should like to take a few minutes of the valuable time of this house in attempting to discover the root of the inspiration which has brought about this leadership. Many years ago when the wars on the north American continent were finished, this country which is now ours was born in a manifestation of true British justice which at the same time was a stroke of imperial genius. It was Lord Acton who said in an essay on freedom that the greatest thing in a hundred years of progress on the part of the British people was that true freedom which recognized and gave liberty to others as a matter of justice and charity, not merely in satisfaction of a claim of right. That was the spirit which animated the people of Canada. That is the spirit which gave birth to this country before the British colonies of north America united as the Dominion of Canada.

While I am dealing with this particular spirit of liberty, which naturally embraces good will, tolerance and the absence of bigotry, may I take a few moments to relate my own experience? I do this not for the purpose of speaking of myself, but as one of a minority to pay a tribute to the great majority that exists in Canada. I do this for the further purpose of refuting what a great political philosopher once said, that democracy was the most cruel of all forms of government, because the minority was always in the power and under the control of those who happened to be in the majority. My experience is the exact opposite; it tells only of good will and the lack of anything like intolerance.

Thirty-four years ago I went to the then new province of Alberta and settled in a district which happened to be one hundred per cent English-speaking and about ninety-nine per cent Protestant in religion. The people there knew that I was at least partly French because they had trouble in pronouncing my name. They knew that I was Roman Catholic in religion because when we were successful in having a priest come in, we celebrated mass in my home, except on those occasions when there were more than my little home would accommodate. We then celebrated mass in the Masonic hall.

Six years after my arrival I was elected to represent those people and to speak for them and in their name in the legislature of Alberta. To show that this was not just an accident, may I say that in the late fall of 1921 I went to British Columbia, not knowing a living soul in that province. To-day I represent in this house the district of Cariboo, which is overwhelmingly English-speaking and nearly overwhelmingly Protestant in religion. I have won elections and I have

been defeated; but never on any occasion, either in Alberta or in British Columbia, have I lost a single vote because of race or religion. It is a great pleasure for me to-night to have this opportunity to speak as one who is in a double minority, as it were, and praise the freedom and the love of tolerance of those who form the majority in Canada.

Many matters having to do with public opinion naturally arise during a debate on the address in reply to the speech from the throne. I listened the other day to the leader of the opposition (Mr. Hanson), and I have listened to others who followed him, directing the attention of the ministry to the fact that there has been a concentration of industry in central Canada in connection with our war effort. It is stated that the people of the maritimes and the far west have not been treated fairly. I do not bring up this matter for the purpose of adding to the complaints or to the denials; I rise simply to say to the Prime Minister and to his colleagues that I believe that what they are doing is being done by reason of the fact that time is an element in the supplying of equipment, aeroplanes and munitions, that I believe that all these things are required, not for themselves alone but because they are needed in a hurry. Therefore I stand here without hesitation and say in the name of my constituents that if that is the reason why there has been this concentration of industry, then continue that concentration.

I speak now on behalf of a constituency which has received nothing whatever from the war effort of Canada. Our young men are enlisting and the moment they sign up they are whisked away to the coast. Our grain growers have been told that they cannot sell their grain because the war has destroyed their market. No industrial effort has been started in my constituency. But if the desire is, as I sincerely believe it is, to help people who are harassed and beleaguered in the old country, then I say, continue.

While the criticism which has been offered may be justified, I am reminded of the fact that a new doctrine of justification is finding birth in the minds of some who are ready to speak without reflection and reckon with the consequences only after they see the results of the impact upon public opinion of what they have said. This doctrine holds that criticism is justified because this government is supposed to be a one-party government. Leaving aside for the moment any comments that might be made on that thought, I think I am right in drawing this inference: If we had what is usually called a union government, then there would be no criticism. If the basis for the justification for criticism is the fact that this is a one-party government, then the establishment of a union government would eliminate all criticism. Then that which has been proclaimed from the Atlantic to the Pacific about the majesty of parliament would disappear immediately.

I understand that preparations are again being made to exert further pressure to bring about a union government. I intend to say nothing about that beyond throwing out the suggestion that whatever good points there might be about a union government, and doubtless there would be some, it is a good thing for the people of Canada that when the opportunity presented itself and advantage was taken of it by this government to make those excellent arrangements between the United States and Canada which were made at Ogdensburg, there was not included in the the Canadian government at that time any public man whose philosophy of politics and whose past made it impossible for him to participate in any closer or more intimate relations with the United States.

Mr. HOMUTH: Whom does the hon. member mean by that?

Mr. TURGEON: I mean several, and when my hon. friend asks the question he knows exactly whom I mean or he would not be disturbed by my statement.

Mr. HOMUTH: I am not disturbed at all.

Mr. TURGEON: But if it was a good thing for Canada, Mr. Speaker, how magnificent a thing it was for the people of the British isles! That reminds me that to-day because of certain criticism which has been directed against the Ogdensburg agreement entered into between the Prime Minister of Canada and the President of the United States, a feeling is gradually developing against the construction of joint defence works in the two countries.

Naturally time will not allow me to go fully into the question of joint defence works, but first let me throw out this warning. Ever since the beginning of the war we in Canada have tried to convince the people of the United States of the danger that would be theirs if, by any chance, Great Britain should be defeated, and of the danger which would be theirs if, by reason of the downfall of Great Britain, Canada should be invaded. To-day Great Britain as well as Canada are asking for still further aid from the people of the United States, aid which is required by the people of the British isles who with such sublime courage and against odds unparalleled in military history are withstanding an aggression unequalled in brutality in the whole history of the world. The warning that I give not only

to this house but to all newspapers and public men is, let us say nothing and do nothing that might lessen the enthusiasm of the people of the United States in their effort to help us and the British people on the other side of the Atlantic ocean.

History will write much of the right hon. the Prime Minister and most of it will be good, but no deed of his will be written of more proudly than the one he has accomplished during the last few months by bringing the people of the United States, the people of Canada and the people of Great Britain closer together. I say to those of us who are married men with families that when we have passed and gone and the history of these times is being read, our children will be proud that their parents had the opportunity and the privilege of sitting in parliament with the Prime Minister to share his toils and his trials, and by their friendly advice and constructive criticism help to shape his policies and to put Canada in the position in which she is to-day.

In connection with the joint defence works by Canada and the United States, and having particular regard to what was said a day or two ago by Lord Lothian in connection with the financial position of Great Britain, I wish now to make a suggestion to the ministry, which, because of its nature, I make to the Minister of Finance (Mr. Ilsley) and to the Secretary of State for External Affairs (Mr. Mackenzie King). It is this. Every dollar that Canada can provide for munitions and equipment and the other commodities which the people of the British isles need so direly to-day, must go to that effort. There must be no diversion except such as may be absolutely essential. Our aim must be to help the people on the other side of the Atlantic ocean.

Canada is a gold-producing country, and I suggest that these two ministers give consideration to making an arrangement with the United States, that rich country which to-day is in possession of nearly all the gold of the world, whereby she will make available to this dominion a credit, not in terms of money, but in terms of ounces of gold, to be drawn upon by us in payment for the cost of construction of any joint Canadian-United States defence works that may be undertaken.

I further suggest that the liquidation of this obligation should commence when the war is over, and that each year there should be set aside from the gold production of Canada a certain percentage of our output in order to extinguish that obligation which we shall have incurred to the people of the United States. Someone asked me when I was making this suggestion at Regina some weeks ago whether I meant by that to give the United States a mortgage against our gold production. Naturally not. But when you borrow money—and states are continually borrowing money in war and peace—you arrange for a sinking fund and set aside year by year a part of your income in order to make certain that the debt will be extinguished. That is all I am suggesting in connection with our production of gold, that every year there be set aside a certain percentage of our gold production so that in course of time the total debt will be extinguished. I suggest, naturally, that it be a non-interest bearing debt and that a certain amount of our gold production be earmarked for the purpose of a sinking fund.

This other thought I throw out in that connection. When the last war was over, Great Britain found it impossible to pay off her debt to the United States except by way of trade and commerce, which the United States did not find it convenient to accept, and a feeling of tension, strain and bad will grew up between the two countries. We do not know, you and I who are here to-day, what is going to be the economy of Canada or of the United States or what is going to be the economy of the world when this war is over and peace once more is shining upon us. We do not know what the price of gold will be then. It may be much higher or it may be much lower. But if our indebtedness to the United States is in terms of gold by weight, there can be no possibility of strain or ill will arising because we owe them gold, just as we might owe them any other commodity.

It may be suggested that the neutrality act will make this suggestion of mine impossible to carry out, but my opinion is that the neutrality act would not make a credit in terms of ounces of gold impossible. But even if it did, I still feel, by reason of what has been taking place in the last few months, that the people of the United States are ready to-day to advance such a credit to us in order that we may pay for our share of joint Canadian-United States defence works. I also feel that when the necessities of the motherland grow greater, the people of the United States, having gone with us part of the way, will be glad to go the whole distance, and that we shall have no further trouble in carrying on the work for lack of a credit or the provision of money.

In that regard I should like to say a word of commendation to the Prime Minister and also to his colleague the Minister of Finance, with reference to the statement made by the Prime Minister a couple of weeks ago, that only physical and moral capacity to

sacrifice and to produce would be the measure by which we would determine our help to the people of the motherland and our efforts to defend ourselves. I have here a statement, which probably hon. members have seen, made by Colonel A. A. Magee, president of Barclay's bank. In speaking to the bank shareholders he says, among other things:

> The pressing problem at the moment is the placing of the war effort upon the most efficient basis within our power. The maintenance of the value of the Canadian dollar and the prevention of price inflation are of economic significance, but subordinate to the essential function of contributing to the utmost towards the winning of the war.

I have quoted that statement because that same man, president of Barclay's bank, is executive assistant to the Minister of National Defence (Mr. Ralston); and that determination, expressed so wisely and so well by the Prime Minister, to let nothing interfere with Canada's effort to help, has permeated all departments of government, as is indicated in the statement of the president of Barclay's bank. I congratulate the government upon it.

One thing disturbs me. I am afraid there is not existent in Canada to-day that realization of what this war means to us, without which a proper determination to win it cannot be built up. When I say that, I do not want any confusion of thought. I do not mean that there is any lack of confidence in the government, because I know that in the history of parliamentarianism no government has held the confidence of the people of Canada in spite of war to a greater degree than has the government which is in office to-day. What I fear is that we have not paid sufficient attention to what is going on in people's minds.

We have been talking about this being a war for democracy. There is no truer lover of democracy in this House of Commons than I am; but I remember, as all hon. gentlemen here do, that the same thing was said during the last war, and we all recall the expectations which were built upon what was said at that time but which did not work out. I say to you, Mr. Speaker, and through you to every person who hears my voice, that while it is true that we are fighting for democracy, we are fighting for life itself. Just imagine what would happen to us in Canada if by any mischance the people of the British isles should fail in the defensive struggle which they are waging against Hitler and Mussolini and their other actual and potential friends! Imagine what would happen to us! We are fighting for life. We are not fighting for democracy; we are fighting for national existence, for the life of the individual as well as for our life as a nation; and that is the truth which, it seems to me, should be brought more vigorously home to our people.

May I say a word, not of censure, but by way of asking whether it is wise to-day to demand, as some hon. members have done, that instead of prosecuting the war with all our force, we should get into a conference with the other nations of the commonwealth and our allies to determine what our war aims will be. Do those hon. members feel away down in their bosoms that their suggestion is a wise one? We cannot determine what our war aims will be, except in the general sense.

Therefore, in closing, Mr. Speaker, may I say through you, particularly to those hon. members who are asking for a conference or a council so that war aims can be determined and expressed, that if we win this war properly—not as we won the last war, and how much could be said on that—with the help of all peoples of British stock and of the people of the United States, and with the help of the glorious people of the little kingdom of Greece, and any others who may join her and ourselves—if we win the war properly, as I pray God we will, because winning it incompletely would not be much better than losing it, then we shall have a democracy such as man has only dreamed of and has neither seen nor experienced before. We shall have a democracy in which the class distinctions which have been imposed upon us in the progress of our industrial and agricultural eras will be washed away. We shall have a democracy in which the arrogance of race will no longer be permitted to subject the peoples of neighbouring states to a condition of slavery. We shall have in Canada and the other free nations of the world a democracy in which man will be distinct and free because he is a human being. Those are the peace aims and the aims for the end of the war which I hold and which I express to the house to-night, speaking, as I said at the beginning, for myself and my constituents of Cariboo.

Mr. ROBERT FAIR (Battle River): Mr. Speaker, I want to add a few words to this debate, which has now been carried on for nearly three weeks, in speaking to the amendment to the amendment moved by the hon. member for Lethbridge (Mr. Blackmore), and reading as follows:

> And this house further regrets the failure of the government to adopt a monetary policy

that would permit a maximum war effort without either increasing debt or reducing the standards of living below that necessary for maintaining maximum efficiency;

Furthermore this house is of the opinion that a continuation of the present financial policy will further destroy the precious liberties so essential to, and recognized as being inherent in a true democracy.

Since the address in reply to the speech from the throne was moved, we have heard quite a few speeches—some good, some not so good—a very much diversified line-up, and all purporting to be given with honest intentions. During the last war, I believe, the same condition existed. People were shocked at things which happened during that war, as a number of us are shocked at what has gone on since its conclusion; and when the next war comes, as it surely will unless conditions are changed, those who come after us will again be shocked at what we are doing and what we shall have failed to do at the conclusion of this war.

Looking back over a number of years to the time when I left my native land, I can remember several hard things which were said about the people of the country of my birth. The same things are being said to-day about people belonging to other nationalities. Before anybody here or anywhere else in Canada ventures upon such ground, I suggest that he get the facts.

Last night we heard an able address from the hon. member for Vegreville (Mr. Hlynka), who spoke on behalf of the Ukrainians and other minorities in Canada. Those who were not here to listen to his speech would, I suggest, do well to read it in *Hansard*. Knowing the Ukrainians as I do, and having the honour to represent quite a number of them. I compliment the hon. member upon his address in their behalf, and I add my own words to his. The Ukrainians are misunderstood to a great extent simply because people do not take the trouble to find out anything about them. I have been a neighbour to Ukrainians for a number of years and I have also gone through districts in which there were few people but Ukrainians. It is true that the older people who came from the old land and slaved to make millionaires of some people in Canada, do not speak English as well as some of the rest of us do, but that is no fault whatever of theirs. I can imagine several members of this house going to a foreign country and trying late in life to learn the language.

With regard to the young Ukrainians, those in school, university or business, I can say that we of the English-speaking and French-speaking races have nothing at all on them. They are pretty intelligent and industrious. Moreover, as far as I have been able to find out, they are honest, which is one of the main things, I believe, in getting along. I said one of the main things in getting along and someone says, "humph." I am not surprised to hear that, because quite a few people across Canada are saying the same thing when we talk about honest dealings in connection with our war effort.

I have received several letters suggesting incidents that are occurring throughout the country. In connection with the war effort, we were told by the Prime Minister (Mr. Mackenzie King), when we came here a year ago last September, that people who profiteered would be classed as belonging to the underworld. I am sorry to say that to-day we have quite a few who belong to that category, according to the Prime Minister's statement.

Last night the hon. member for Rosthern (Mr. Tucker) gave an address. On previous occasions we have also had addresses from the hon. member for Portage la Prairie (Mr. Leader) and the hon. member for New Westminster (Mr. Reid). I am glad to say that the Liberal party has at least some men who have backbone enough to rise in their places in this house and express their convictions. There are several men here representing constituencies who do not say a word from one end of the session to the other. In the few years I have been in the house I have known that to be true, and I have often wondered whether the people who vote for these members on election day know just what is being done on their behalf. If a man is dumb he has no business here, and the sooner the people realize it, the better it will be for all concerned.

A number of speeches have dealt with the war, and mainly with the war. I am not going to say very much about the war to-night. I do not like war, and I hope that something will be done after this slaughter is finished to prevent another such war from occurring.

Industry, banking and several other subjects have been discussed, and a number of other questions have been left untouched. I will touch upon one or two and offer a few suggestions. One matter that should have been looked after twenty years ago is the position of the returned soldiers who came back after the last war. On other occasions I have spoken of their condition, particularly that of the men on the land. I have produced figures showing that for a number of years, perhaps ten or eleven years, there has not been collected from the soldier settlers enough to pay the interest on their loans and meet

cost of administration. On their behalf, therefore, I suggest that the government do something about giving them free title to the lands they hold at the present time.

These men went overseas and offered everything they had. They were ready to give their lives, and that is the most we can offer. They came back and, instead of being treated as the government had promised, before they went overseas, that they would be treated, we find that deals characteristic of the underworld were put over on them. I say characteristic of the underworld and I know what I am talking about. I know of instances in my own neighbourhood. Somebody made blood-money out of the deals and these men were made to suffer and are continuing to suffer. This matter is under the jurisdiction of the Minister of Mines and Resources (Mr. Crerar), who is in his seat. I ask him to take particular note of the condition of the soldier settlers and of their present financial standing. He is reading a paper, but I hope he will take note of the matter anyway.

The question of old age pensions is one that must be dealt with. The people in England are paying very heavy taxes and they have reduced the age limit. We are still on the seventy-year basis, allowing $20 a month, provided the recipient has no other income. If he has an income, the amount is cut down, and if he happens to have a little house in town or anything of that kind, he must sign it over to the government. Therefore the picture is not a pretty one. Our laws make it impossible for these people to accumulate anything in their working days to carry them over the period when they should enjoy a holiday in the later years of their lives, and I suggest that at the earliest possible opportunity the government bring down a measure reducing the age limit and increasing the amount of the pension.

I notice that some of the soldiers who have been overseas in this war have come back. They went away A 1 and were discharged because they were no longer fit, and now they are refused a pension. We are starting now to deal with the men who are coming back. Let us deal justly with them. We are creating precedents; let them be just. We have heard many appeals being made to have Christian principles upheld. I say, let this government, the spokesmen for the upholding of Christian principles, put these principles into effect at once.

A number of our young men have enlisted. Many of them from western provinces are at present stationed in Ontario. Christmas will shortly be here and a number of them will get leave. Three waaks ago one of my neighbours, a young man with a wife and four children, who because of economic conditions could not make a living on the farm and could not get work to keep himself and his family, was forced into the army as a last resort. He has a wife and four youngsters in a little town outside Edmonton. He came here on a week-end leave and telephoned me, and I had a talk with him. He wanted to know whether they were going to get free transportation home for Christmas, or on their last leave before going overseas. I told him that members belonging to all parties in the house had spoken in support of this suggestion, but that I did not know just what the government were going to do. I hope that, as has happened in other instances, public opinion on this matter will become strong enough to compel the government finally to yield. I believe there are enough people across Canada who want these men to have a free trip home to justify that action being taken. In this particular instance this young man, even if he gets a return ticket for half fare, will have to pay no less than $47.80 in order to get home to see his wife and family. I believe we have plenty of railroad crews and trains. Let us make use of them. Do a little extra bookkeeping; that is all it amounts to.

I should now like to get back to hogs for a little while; I mean the four-legged ones. Not very long ago the Minister of Agriculture (Mr. Gardiner) returned from the old country, and according to his own speech he brought home the bacon. I do not believe, however, the farmers of Canada thought he brought home the bacon as far as they are concerned. I have in my hand a news item dated Toronto, November 18, as follows:

> Hon. P. M. Dewan, Ontario agriculture minister, in a statement to-night described slumping hog prices, due to the price reduction in the new Canada-United Kingdom bacon agreement, as "hard medicine" for Ontario farmers. Western farmers stood to make a "reasonable profit" with their stocks of low value feed grain, he said.

I notice that Mr. Dewan holds the same opinion as a number of gentleman farmers in this house. Because grain prices are low in both eastern and western Canada, these experts with figures calculate the cost of raising hogs and say that the farmers should be able to make a profit. They all seem to lose sigh of the fact that grain is being produced at far less than cost of production. Apparently it is not enough to lose in producing the grain; we are supposed also to lose when we come to sell bacon. Under the old agreement grade A Wiltshire sides sold for $18.01 per hundred at seaboard; under the

new agreement the price is $15.82. But the minister told us that because he was able to get rid of so many more hogs, the new prices would compare favourably with the old rates. This means that if the farmer this year is going to get as much money as he got last year, he will have to feed several extra hogs. I do not think this is very good business for the Canadian farmer.

In many matters our Prime Minister and this government try to follow the example of England. Over there they subsidize the farmers, and I would suggest that the same thing be done here in connection with the raising of hogs and the production of several other commodities. I do not object to giving our goods to Britain; that is part of our contribution, but I do not think the producers should take the rap. I believe the country as a whole should bear that burden, because when the war is all over and the taxes have to be paid, the farmer will be caught both going and coming, and will have to pay a double share of taxation.

We find that the cheese men also are not satisfied. I quote another Toronto dispatch dated November 20:

> Directors of the Ontario Cheese Producers Association to-day endorsed the sale of cheese to Great Britain announced by agriculture minister Gardiner but took the stand that the price is out of line with present cost of production. . . .
>
> A special committee was appointed to draft a memorandum, incorporating views of the producers, to be presented the minister. The committee, it was understood, will suggest that government assistance be considered for the producers in the form of a subsidy.

I wandered away from the hog question, but cheese is not very far from hogs in any event.

I should now like to refer for a moment to an article which appeared in the Winnipeg *Free Press* last week. I do so because time after time fifth columnists have been referred to in this house, and I wish to put the *Free Press* in that category to-night, not only because of the article I am going to quote but because of other articles published which have not been fair to the producers of Canada. This article states:

> Mr. H. H. Hannam, president of the Canadian Federation of Agriculture, is indignant and declares that the Canadian farmers will also be indignant over the reduced price for bacon fixed in the new bacon agreement.
>
> Indignant against whom? Not against Great Britain, Mr. Hannam hastens to explain. Then the indignation must be directed against the Canadian government. On what grounds? Obviously on the ground that the Canadian government did not say to the government of Great Britain: Pay the price that our distinguished and patriotic Canadian, Mr. Hannam, president of the Canadian Federation of Agriculture, demands, or go without bacon.
>
> No doubt Mr. Hannam will resent having the matter put thus crudely; but is it not pretty much to this that it boils down? A man big enough to hold his position ought to be able to look at this transaction in its entirety, instead of from a narrow angle. Thus examined, it might be found to have a great many good points. But Mr. Hannam is in the business, in which he is not alone, of trying to stir up grievances in the hope of being able to capitalize on them later on. It is a discreditable business. Also dangerous.

As president of the Canadian Federation of Agriculture, Mr. Hannam represents a number of the producers of Canada. The *Free Press,* in accordance with its old practice, now seeks to disrupt that farmers' organization. The *Free Press,* and those who contribute financial support, see what would be the result if Canadian agriculture were organized and educated as it should be. I believe the statement I have read is an unfair one for this newspaper to make. A number of farmers subscribe to the weekly edition of this newspaper, and I would suggest to them that if they want truth they should subscribe to a publication that tells the truth. I hope this will be read by a number of those farmers.

I heard and have read the wonderful speech that was delivered by the Minister of Agriculture on November 14. He made quite a number of statements, with some of which I agree and with some I do not agree. During the discussion he had this to say—and it would be amusing, were it not so very expensive:

> I shall continue to fight the battles of the farmers of Canada. No adding to or taking away from duties or prestige will remove my life-long association with and love for farmers and farming.

I heard of a man at a meeting, who rose to support a motion he had voted against the year before, say, "Some of you may wonder why I am now supporting the very thing I opposed a year ago? At that time," he said, "I had a reason; now I have lost my reason." I believe that applies very well to the Minister of Agriculture.

Mr. GARDINER: I think just the same as I did a year ago.

Mr. FAIR: The minister knows quite a lot about wheat—some say he grows it; I do not know. On April 5, 1939, however, he is reported to have made the following statement at page 2623 of *Hansard*:

> It has been proven over and over again that twenty bushels to the acre of wheat can be produced at a cost of from 30 to 40 cents a bushel. We have had a great deal of discussion

about the cost of producing wheat. It costs a certain amount to work an acre of land whether you get any wheat off it or not; it costs a certain amount to harvest it if you do get any wheat off it. It has been proven over and over again, I say, that twenty bushels to the acre of wheat can be produced at a cost of from 30 to 40 cents a bushel. For every bushel a man gets over twenty his costs per bushel decrease. When he has a crop of twenty bushels or more per acre, his other crops are usually good in proportion.

Mr. GARDINER: Read it all the way down.

Mr. FAIR: I have only forty minutes; the minister may read it later on.

Mr. GARDINER: It would not mean the same thing if the hon. member read it all.

Mr. FAIR: I might say to the minister that he has denied it time after time. Anyone, however, who wishes to read it will find the whole quotation at page 2623 of *Hansard* for April 5, 1939.

Mr. GARDINER: If the hon. member read it all, it does not mean what he is now saying, but what he is going to read.

Mr. FAIR: If I had plenty of time I would read the whole thing, but I have only forty minutes.

Then, on November 14, 1940, speaking again in connection with wheat he said:

> It is generally admitted that 70 cents advance at Fort William, which nets the farmer about 50 cents a bushel, does not cover his total costs of production and therefore does not maintain him as a contented producer. If he is to receive more money, it must come from the sale price of wheat, or from the taxpayers of Canada, or from both.

Then again at page 2530 of *Hansard* for August 2, 1940, we find the following discussion between the hon. member for Rosetown-Biggar (Mr. Coldwell) and the minister:

> Mr. Coldwell: This is Professor Hope's conclusion:
>
> "Conservatively it would probably require with average yields a farm price for wheat of average grade of about 90 cents, with coarse grains in proportion to maintain a reasonable level of living and service the present debt on western farms. It would require somewhat more than this to restore the farming community to the condition of 1931."
>
> This is the comment of the hon. member for Rosetown-Biggar:
>
> The conclusion is quite obvious. It is clear that it will require not a Fort William price, but an average farm price of 90 cents a bushel to maintain even the standard of living we now have.
>
> Mr. Gardiner: We all agree with that. Why discuss that at greater length?

I draw particular attention to this, because it has taken the minister only five years to admit it.

Mr. GARDINER: The hon. member has read it so often I know it by heart.

Mr. FAIR: The minister said:

> We all agree with that. Why discuss that at greater length?

The man at the meeting had lost his reason; I believe the minister has done the same thing. We have been told that when a man loses his reason, he first seeks to destroy his very best friends. I believe that is true of the minister in the present instance. He has loved the farmer so much that he set out in 1935 to destroy him. He has sought to do so through the policies he has set out since that time—and I am referring particularly to his programme in connection with wheat.

When this government took office in 1935, the farmers were receiving an initial payment on their wheat of 87½ cents a bushel. At the same time we had an advisory board composed of seven members. Because of the minister's love for the farmers, I would have expected him to make certain recommendations to the government. After a short time we find that by order in council the wheat board was put out of operation. That was a board set up under statutory authority, but by order in council it was declared inoperative unless the price of wheat went below 90 cents a bushel. In that way the farmers were deprived of the benefits they derived from the operations of the wheat board.

After a while we find that the price was cut down to 80 cents a bushel—again because of the minister's love for the farmers. Later on, it was cut down to 60 cents—but possibly because of an election in the offing it was raised again to 70 cents. Therefore the net result was that we had the government to thank for an increase of 10 cents a bushel in the price of wheat.

I do not agree with that policy, and I say that the government should do something drastic about it. The farmers are not protected in the prices of articles they have to buy. So far as I am aware, we are now paying higher prices for farm machinery than we have ever paid before. What is the government doing about the matter? A House of Commons committee investigated the price of farm machinery, and the Saskatchewan legislature carried out a further investigation. But nothing is being done about the matter. Therefore it is up to this government, having control over that industry, to do something about it.

I might make mention of a number of other points, but I fear I have not time to deal with them. There are many points to be considered in connection with the wheat problem.

I admit it is a serious question, but before any solution is reached, it will have to be attacked from an angle different from that from which it is being attacked to-day.

The minister is very good at figures, provided they are not checked. Because we had a surplus of wheat on November 14, he proceeded to look ahead five years, to cut down our yield, to raise the consumptive capacity of other countries, and as a result according to his figures he would have a shortage within five years. Had there been an increase in our carry-over, I am sure we would have had a drop of three or four cents a bushel in the price of wheat, had it not been pegged. I have seen that happen before. But because it is on the other side of the ledger we do not find any appreciable increase in the prices offered on the Winnipeg exchange.

Before I forget it, I should like once more to ask the government to follow the example set by the British government in connection with the Winnipeg exchange. This government is careful to do as the British government is doing in some respects. The action was taken by the British government shortly after the war started, and if it was good business for them, why in the name of common sense is it not good for Canada? Perhaps some of the friends of the exchange who happen to sit in the government might not enjoy things quite as well if the grain exchange were closed.

The farmers to-day no longer resemble the goose that laid the golden egg. Until they are more prosperous, there shall be no prosperity in Canada.

We have heard a great deal about unity, but in many instances I think it is just so much trash, as the hon. member for Bow River (Mr. Johnston) said yesterday. I think we would be well advised to stay away from these nice phrases and get down to business.

I agree with the hon. member for Acadia (Mr. Quelch) when he says that in order to solve the wheat problem it will be necessary for the four large wheat exporting countries, New Zealand, Australia, the United States and Canada, to get together and arrive at an agreement setting export quotas for each country. I do not contend that production should be restricted, because weather conditions may vary and we do not know when we may have a shortage of wheat. But restrictions on deliveries of wheat could easily be agreed upon, based upon previous years' experience. Should we have a long crop, then our farmers could store it on the farms; should we have a short crop, they would then have ample crop insurance.

[Mr. Fair.]

The government should get away from the idea of telling us that there is no money with which to pay a decent price for wheat. At the present time we are spending for war purposes, for purposes of destruction, something like $3,000,000 a day, but we cannot find any money to subsidize wheat production, or the production of cheese and bacon. I am not speaking now just for the farmer of western Canada because I realize that conditions all across the country are not at all satisfactory. Anyone who has listened to the different speeches delivered during the past three weeks will readily recognize that fact.

I submit that the government should take over all grain handling facilities. As has been pointed out, the grain companies are making large profits, particularly out of the storage of grain. The situation being as it is now, the farmers are compelled to put grain into the elevators and keep them full in order to obtain a little money with which to carry on. The government is spending millions at the present time to set up war industries and have them operated by people experienced in those particular lines of business, and there is no reason in the world why the same principle could not be applied to the storage of wheat. Wheat is just as vital, if not more so, to our war effort. The government should pay a price of not less than $1 a bushel for 2,000 bushels from each farmer. If a farmer had less than that, he would receive this price for all his crop; if he had more, he would receive this price for 2,000 bushels and sell the remainder at world market prices. To-day world market prices are ruinous to the agricultural industry. Being ruinous to agriculture, they are ruinous to Canada.

There have been a number of complaints this year about the grading of grain. The question of cracked wheat has come up time and again. Under the present set-up, if No. 1 grain is three per cent or more cracked, the grade is reduced to No. 2. On certain occasions the farmers cannot prevent grain from being cracked and they are robbed of a grade, which means three cents a bushel in addition to dockage, which may amount to three per cent or more.

The question of tough and damp grain is an important one in my province. The Minister of Trade and Commerce (Mr. MacKinnon) has done something to solve this problem, and I should like to give him credit for that. I think we would be giving him credit for many other things were it not for the fact that the rest of the government seem to be against his doing more. He cannot do just what he would like to do.

He knows the conditions and I think he, having lived in the west for a number of years, would do what was right if he were permitted to do so by his colleagues. As I said, tough and damp grain is causing quite a little worry to the people of my province. As I understand the regulations, when a man has delivered his quota of dry grain, in order to get cars in which to ship his tough grain he must sign that it is tough. Although the moisture content may be just above the dry line, he is deprived of the right to get straight grades for his grain. I believe this is why some farmers hold back their grain and take the chance of having it spoil.

Time and time again we have been told about the millions of dollars that have been spent in western Canada, and some seem to consider this as a kind of relief. If we take the figure of 90 cents a bushel at the farm, which was agreed to by the Minister of Agriculture on August 2 of this year, as a basis, the Canadian wheat growers have contributed approximately $220,000,000 in losses on growing grain this year. This is the contribution which has been made to the railroad companies, the elevator companies, the banks, the mortgage companies and all other industry in Canada. This fact has not been brought out before, and I now bring it to the attention of those who seem to think that the government has been doing too much for the west. I ask them to go back to 1930, take the costs of production through the different years and compare them with the amounts received by the farmer. I believe the result will take away the smiles from their faces. They will see that western Canada has contributed far more to the Canadian economy than it has been given credit for.

I suggest to the government that they take heed of some of the financial programmes which have been brought to their attention by this group. I suggest that they forget all about imaginary inflation, or go to the dictionary to find out just what it means. It seems that the Minister of Finance (Mr. Ilsley) and his advisers have not yet learned the real meaning of inflation. The people should learn more about money because money controls the life of Canada to-day. In the past, shortage of money has retarded our war activities, and I believe that the money managers are to blame to-day for the western farmer not being able to get an advance on his wheat on the farm. When I say that money controls the life of Canada, I think I am quite right. I have only two more words to say and I ask the government to investigate their meaning—they are "social credit."

Mr. D. G. ROSS (St. Paul's): Mr. Speaker, I must first congratulate the mover (Mr. Claxton) and the seconder (Mr. Jutras) of the address in reply to the speech from the throne upon the manner in which they performed their duty, and more especially must I commend them for the appeal they made for unity and their exhortation of the Canadian people for the utmost effort and sacrifice to win this war.

I must now pay tribute to the people of Great Britain for their courage and fortitude and determination to put down, in the words of Mr. Chamberlain, this evil man, this abortion of deceit. We shall certainly profit by their example.

I wish also to pay tribute to the women of Canada for the splendid way in which they have set to work in Canada's war effort, and more particularly I would pay a tribute to the Conservative Women's Association of my own riding of St. Paul's for the excellent work they are doing in connection with the Red Cross. They have been incorporated under the War Charities Act and are working night and day in connection with this work.

The speech from the throne advises us that we have been summoned at this time in order that opportunity may be accorded for the fullest consideration and discussion of Canada's war effort and of national problems which war has served to intensify or create, and that we shall be fully advised of Canada's cooperation with the United Kingdom and of relations with the United States. The speech also told us that measures would be submitted to the house such as seem necessary to his excellency's advisers for the welfare of the country and for the prosecution of the war to the utmost of our strength.

Up to date no measures have been submitted to the house, and certainly there has not been the fullest opportunity accorded to examine and discuss Canada's war effort. To my mind the debate as it has progressed has been more or less futile, and we shall really not get anywhere until the house gets into committee of the whole and actual measures are before us.

The people of Canada want leadership at this time. They do not want any soothing syrup, but that is what they have been getting here. We came here to get the information which the public are demanding but which the government attempts to give to the people of Canada only by way of statements by the various ministers. Under this procedure it will be almost impossible to arrive at the full implication of the facts, and there can be no opportunity for constructive criticism

in this regard until we get into committee of the whole on definite measures brought down by the government.

Most of what has been accomplished by the present procedure could have been accomplished simply by the ministers handing their statements to the director of public information for dissemination to the members and the press. But now that we are here, I think all the ministers should make their statements. The Postmaster General (Mr. Mulock), the Minister of Fisheries (Mr. Michaud), and the Minister of National Revenue (Mr. Gibson) should each make a statement, because the house would like to know just what those ministers are doing, and then when we come back in perhaps two months' time we shall be able to cross-examine the ministers across the floor of the house.

No doubt a certain amount of useful information has been obtained and a great deal of constructive criticism has been offered. But one thing that worries us is that the government are not seeking the help of every member of the house. The idea that the government can do no wrong seems to be the ministry's main thought, and they get very touchy when they are criticized. They do not seem to understand that the members of the opposition criticize the government without thinking of politics at all. I suppose the government are so steeped in politics themselves in their war effort that they cannot conceive of anybody feeling otherwise, but I assure them that we as an opposition are just as fervent, in fact more fervent in our desire to forward the prosecution of the war than any member of the government or anybody else.

The government of the day have, however, decided to carry on Canada's war effort in this partisan manner, and on their shoulders must rest the responsibility and the blame for all the sins of omission of which they may be guilty, and we as an opposition must also measure up to our obligations as such. I predict that when the history of this government's partisan war effort is written and the facts come to light, it will not be the pretty picture that we are led to believe. If it should so happen that any serious reverses come or that the war is unduly prolonged, this government will go down in history as wilfully negligent in not utilizing to the full the services of every member of the house regardless of his political colour. The government are fighting a Liberal war and the public know it; that is one of the main reasons for the lack of confidence which the people of the country have in the government to-day.

The truth is that the government's great concern up to date has been political success, success in partisan politics. It has corralled all sources of public information so far as the war is concerned and keeps them under its thumb just as rigidly as any dictator would. The press can get information only through the government, and the government can punish if the press offends.

I must give a clean bill of health to the radio corporation; nevertheless the radio is being used at the present time as an instrument of this administration, and it is being used ruthlessly and to the full to help the administration politically, day in and day out. That is a misuse of the radio. There are far better uses to which the radio can be put than that. Not only that, but the misuse of the radio in this way makes the public suspicious that we are not doing everything we can to fight the war, that, instead, we are only fighting political issues. This uneasiness and suspicion in the minds of the public is soothed by various reports of one kind or another which are given out from time to time by the director of public information. Certainly all is not as it should be, and it is the duty of every member of this house to use his prerogative and criticize. There is nothing like honest criticism to spur a government on to further effort, and as a matter of fact there should be no further effort possible. It ought to be a full-out effort that we are making now.

We have been told that the government have a long range programme and that they have been working night and day planning to put it into effect, but certain circumstances belie that statement. For example, since the beginning of the war we have had a camp at Camp Borden, and all this time we have known that there would be a tremendous number of men there. At the present time the number is between 16,000 and 17,000. About two weeks ago 239 men were in hospital, and there were no orderlies to look after them. Their food had to be prepared by only four men. The patients who were in bed had to get up and fetch their own food, or, if they were too sick to move, it was left to one of their comrades who was not so sick to get it for them.

The regimental doctors endeavoured to make some provision in their own lines for sick cases. But that was not what it should be under conditions of that kind. The doctors have had to fight all the time in order to get proper hospital accommodation at Camp Borden. The first result of their efforts was that a seventy-five bed hospital was provided. Why should they have had to fight for something which is so necessary? In a place like that, a good-sized hospital is necessary so that one can cope with contagious diseases by

ensuring proper segregation. I understand that at last a hospital of a thousand beds is to be built. But when one considers that it is usual to make arrangements on the basis of five per cent of sickness in a camp of this size, it does not look to me as though there had been any planning so far as that phase of the work is concerned. We have been at war fifteen months, yet only a short time ago was it decided to build this hospital.

Moreover, there are five ambulances up there, and they have travelled 150,000 miles taking to the city of Toronto those sick men who could not be accommodated at Camp Borden. Again, there is no operating room. Who ever heard of a town of 16,000 or 17,000 people not having hospital accommodation and a proper operating room? In cases of acute appendicitis and of fractures of various kinds, rest is essential, and yet it has been necessary to convey men suffering from these ailments all the way to Toronto before they could be medically treated. This does not look to me like planning. The record in these cases has been good, but that is due, no doubt, more to good luck and medical skill.

Another case of lack of planning has been brought by me to the attention of both the Minister of National Defence (Mr. Ralston) and the Minister of Pensions and National Health (Mr. Mackenzie), and I understand that something is being done about it, although much time has gone by. Take the case of a man in the Canadian active service force who becomes sick and is put in category E: that means he is discharged from the army. Until recently there was not administrative machinery to take care of that man and his family during his disability.

To cite an actual case, a man had to return to his home town and, with his family, go on relief in that town; not only that, he had to accept charity for medical attention. There was no planning there that I can see, although I understand that some arrangement is being made to take care of conditions of that kind. Is the morale of the people being maintained when that sort of thing is going on? It certainly is not. It is quite true that the Department of National Defence refers a category E case of that kind to the Department of Pensions and National Health for treatment, but it cannot be denied that in many instances, during the course of the treatment, the soldier or officer has been informed that he has been discharged from the Canadian active service force as of a given date, and notwithstanding the fact that he requires prolonged treatment, he receives no pay and his family are destitute.

It must be expected that members of the Canadian active service force will require hospital treatment for disabilities which, to use the wording of the act, cannot be attributed to service as such; nevertheless these men should be retained on the army strength until such time as the treatment is completed, and then, if it is decided by medical authority that they are unable to meet the requirements of the existing medical standard, naturally they would be discharged from the force.

Let us not forget the experiences of the men who fought in the last war. It is only reasonable that care should be taken to prevent pensionable disabilities from increasing, as well as to reduce by proper treatment the amount of pensionable disability. Certainly it is in the public interest that this should be done. But I do not think any men who require treatment should be discharged from the army until such time as the pension commission has given a ruling. Why should men and their families suffer during that time from lack of income?

The men who served in the last war fought to make Canada a place for heroes, not only heroes of war, but heroes of everyday life, to live in. We have always been able to find money enough to provide for railway deficits and for public works at election times. But when it came to the claims of the men who served overseas, of their dependants, and of their widows, it was always necessary to fight in order to get a little more for them. It was invariably pointed out how much such a measure would cost, how much more the people of Canada would have to pay. At the present time we are not thinking very much about what the people will have to pay; that is not the first consideration.

At this time men and women are fighting for Canada, and we must give them something more than lip-service. We need to remember those lines in Binyon's "Ode to the Fallen"; I think it might be well if every hon. member would realize their significance:

> They shall grow not old, as we that are left grow old:
> Age shall not weary them, nor the years condemn.
> At the going down of the sun and in the morning
> We will remember them.

Let us see to it that we remember them. Let us not forget as we forgot last time.

I wish to touch for just a moment on the question of leave with transportation for the soldiers. The question will be a serious one this winter. Other hon. members have made

suggestions on this subject. Soldiers should be given leave periodically. It might be easier to give leave more frequently to those who are closer to their homes. I suggest that leave be awarded on a basis which will allow the soldier a period of five days at home. I do not wish to suggest how often leaves should be given, but a system of this kind would make for happier families and a more contented corps of men while these men are on this side of the water. Certainly they should have five days at home periodically and their fares should be paid there and back.

There is another matter to which I should like to refer, although it may seem a small one. All of us are able to get three hundred cigarettes for a dollar for the soldiers overseas, but some of these soldiers have no friends at home, or at any rate not many, who can send cigarettes to them. I have received several letters from them, and it seems odd to me that these soldiers cannot purchase overseas the cigarettes they require for the same price at which we can send them from here. Let me quote from a few letters:

> The purchasing of smokes in this country is certainly beyond the buying power of the Canadian troops. The prices are as follows: Cigarettes, per package of 20, one shilling and sixpence; tobacco, one-sixteenth of a pound, one shilling and threepence.
>
> For the boys who are fortunate enough to have friends or relations in Canada, this course is overcome to some extent. This position, however, only represents a small percentage of the troops. Could you not do something in parliament so that Canadian troops could purchase smokes at or near the price for which they can be purchased in Canada?

That is not unreasonable, and I am surprised that the government has not done something about it before. I quote from another letter:

> Luxuries, smokes et cetera are expensive here, just about out of the regular sapper's reach for regular consumption, except on pay day or the day after.

Cigarettes at the present time are hardly in the category of luxuries. They are almost a necessity in the army. I commend this thought to the government, and I suggest that they see to it that the purchase of cigarettes be put within the reach of these soldiers.

We hear many stories about lack of equipment. I would be the last one to criticize the Minister of National Defence (Mr. Ralston) when he says that we will supply Britain first and do without, ourselves. This is right, but surely small quantities of equipment can be allotted to various units for training. One can hardly understand why there should be a shortage of clothing in Canada to-day in view of the statement of the Minister of Munitions and Supply (Mr. Howe) in the House of Commons on July 30, 1940, at page 2118 of *Hansard,* where he is reported as having said that production of boots and shoes had been stepped up to 30,000 pairs a week and that production of battle dress was reaching 20,000 suits a week, blankets being produced at a rate of 30,000 a week, and so on. Then, again, on November 20, as reported at page 265 of *Hansard* of the present session, he gives production figures for battle dress blouses, trousers, blankets and so on. One can hardly understand, I say, why, if these figures are correct, there is a shortage for any of the troops in Canada at the present time.

The public must know more about what is being produced. I accept the minister's statement when he says, as reported at page 258 of *Hansard,* that a recent cable from the dominion's office in Great Britain stresses the importance of carefully guarding production figures for munitions and aeroplanes. I accept that statement as coming from the dominion's office, but I should like to know the origin of it and who instigated it. I cannot reconcile that cable with the information that comes over the radio from time to time. The other evening all hon. members heard, I have no doubt, the announcement that the United States bomb sights had been delivered to Great Britain and that arrangements had been made for the exchange of bombers, how many bombers and engines were moving from one place to another, and so on. A short time ago we were advised by radio of the exact number of aeroplanes delivered to Great Britain in a certain month from the United States.

We have been told by the minister, or rather a statement was made to the press as to how many tanks were being made and how many more will be made in the future; and then the Minister of Munitions tells us that 25-pounders will be made in a Quebec gun plant in October. I quote the Toronto *Daily Star* of August 22, wherein he is reported as having made a statement in that regard. As a matter of fact, more information can be obtained from United States papers than in this House of Commons. Let hon. members read any of them and they will see.

Of course the public are interested in knowing what we are going to produce, but what the public want to know is what we are producing and what we have delivered. Everything in the way of production seems to be in the future. All one has to do is to read the minister's statement to come to the conclusion that he is trying to do a great deal more than any one man can accomplish. The minister admits, or he admitted to me the other day, that he is working fifteen or

sixteen hours a day. There is no fact-blindness here as far as the minister is concerned; but if he thinks he can do all his jobs as efficiently as these jobs ought to be done in war time, he is certainly suffering from an acute case of fact-blindness. I know he is endeavouring to correct his mistakes from time to time, and he is served by a number of fine men. But in some of the others we have not the same confidence.

There is no doubt about it that the minister is a splendid administrator of the department that has control of broadcasting. I think he is a splendid man for that job, but he must have relief from some of the other jobs he has at the present time. The minister is also policy-maker and cabinet liaison for the most gigantic industrial programme ever undertaken in Canada. If anyone asked him who was the boss of this or that department, he would say, "I am". He is trying to be the administrative head of that programme, actively conducting and controlling the biggest of all big businesses. What he should have is an outstanding business executive who will be given full power to deal in a non-partisan way with the coordination of this biggest of all big businesses—war supplies.

I come now to the thirty-day training scheme. To my mind, in the present set-up it is a colossal waste and nothing more or less than a political sop to the public. It has become necessary because of lack of leadership on the part of the government in the past. If the facts of what would be required of Canadians should Canada become involved in the war had been brought home to the public in days gone by, and if since the beginning of the war, in the words of the amendment moved by my leader (Mr. Hanson, York-Sunbury), the government had not continued to soothe the Canadian people regarding the war effort of the nation, thereby creating a false sense of security when a clear-cut call to action is desperately needed, I say that this scheme would not have been necessary. If the government had not done this but, instead, had faced realities, this proposed expenditure of $50,000,000 a year for this short-time training would not have been needed. There is no doubt that the thirty-day training scheme has done some good. A holiday always does a man good, when it is spent under good conditions, with good food and good discipline; but it is rather an expensive holiday as far as the country is concerned. Let us face the facts. The Minister of National War Services (Mr. Gardiner) said in the course of a radio speech:

> . . . in one year from now a man will be needed to use every gun, operate every plane and drive every truck made, and in the front line of battle.

Think that over. What confusion there must be in the inner circles of the cabinet concerning the major strategy to be followed in connection with this war! Certainly we see signs of the indecision and lack of leadership which has characterized this government ever since the outbreak of war. To reach this conclusion it is necessary only to read a few extracts from recent speeches. On November 12 the Prime Minister (Mr. Mackenzie King) declared that the first duty of each part of the empire was its own local defence. Then he proceeded to say :

> That is the policy we have pursued from the beginning, the policy that we are pursuing to-day, and the policy that we intend to pursue so long as we are responsible for the administration of Canada's war effort.

That is his policy, and he says nothing about preparing to man every gun, operate every plane and drive every truck in the front line of battle. Three days later the Minister of National Defence, enlarging on what had been done in Canada, said:

> And let me remind my hon. friend the leader of the opposition (Mr. Hanson), who seemed to think that we were attaching too much importance to Canadian defence, that I stressed in July that our front line was the island fortress of the British isles. . . .
>
> I can say to the house that those principles on which we were working then are the principles we are working on to-day. Any change has been only to emphasize more than ever the vital interest we feel in helping to hold and strengthen that front line on the English channel.

Certainly that seems to me a different policy from the one enunciated by the Prime Minister. A little later the Minister of National Defence went on to say:

> The war committee of the cabinet has had the matter of the length of the training period under review repeatedly in connection with the man-power problem, and we are now considering the further step of lengthening the training period to four months and reducing the aggregate number of men to be called from civil occupations in the year. . . .
>
> Such an extension of time and reduction in numbers ought to help to prevent undue disturbance in industry.

This seems to be a sort of half-way measure, but again it is a different policy. Now I come again to the statement of the Minister of National War Services, made over the radio on November 17, in which he took an opposite stand. He said:

> I think it would be wise to stop much of this talk against military training for men who are making planes, munitions, arms and ships and remember that in one year from now a man will be needed to use every gun, operate every plane and drive every truck made, and in the front line of battle.

Then he went on:

There is no reason for making these machines unless we provide for their being operated.

I hardly agree with the minister there. I believe we are making some of these machines for the air training scheme as well as for Great Britain, but I shall follow that up later.

As Minister of War Services I would say after seeing Britain in action it will take much longer to train a soldier than it does to train labour for plants. . . . Factory managers who contend they cannot produce to capacity without interfering with the training of men may have to be told by someone, just as they are being told in Britain, that they, as factory managers, are not good enough for war time.

This seems to be a clear-cut enunciation of another policy. In other words, we have three policies, coming from the Prime Minister and two cabinet ministers. Certainly there appears to be some confusion. I believe the Minister of National War Services is a realist; at least he says he has first-hand information, and he tells us that within a year a man will be needed to use every gun, operate every plane, drive every truck in the front line of battle. When are we going to start training these men so that they may be ready a year from now? Time is of the essence; he says so. He tells us, after seeing Britain in action, that it will take much longer to train a soldier than to train labour for factories. What is the policy? It seems to me the government should lay down some clear-cut policy as to just what they intend to do.

In an interview the minister is reported to have said in effect that the war would be won, not by bombing from aeroplanes alone, but by a great mechanized army, well equipped, taking the offensive and marching into the enemy country when the time arrives. We have 50,000 troops overseas, one division on the Atlantic, one division on paper on the Pacific, and some in training. How many troops will it take to support those we have overseas? What is our ultimate aim? What is the policy of the government so that Canada may be able to do her share when the right time comes? These men cannot be trained in one month; they cannot be trained in four months. It will be criminal if we are obliged to send half-trained troops overseas to man these machines. I urged last session that we should start retraining older men and women, and that some effort should be made at once to take steps to assist industry so that the younger men, who would be needed for these implements of war, would be available for training.

Then the minister told us that factory managers who contended that they could not produce to capacity without interfering with the training of men may have to be told by some one, just as they are being told in Britain, that as factory managers they are not good enough for war time. I wonder whether all the blame can be attached to the factory managers for not being good enough for war time? Is the Department of Labour living up to the emergencies of war time? There must be full cooperation between these factory managers and the Department of Labour.

At the present time the minister is having a controversy with Mr. Sanderson of Fleet Aircraft Limited. In an announcement to the press the minister said he would not back down and that all the men involved in the controversy will have to train. Mr. Sanderson is not the only man who is very much upset about this thirty-day training. What, I ask, is the most important thing to-day? Is it not the production of aeroplanes? Certainly that is what I have been led to believe. In conversations with other manufacturers, who have not complained, they have explained to me that this interruption for thirty days is a serious matter, that it slows down the production of aeroplanes. To my mind nothing should be allowed to interfere with this production. I think factory managers should know something of what they are talking about.

There must be some clear-cut differentiation, which, so far as I am concerned, I have failed to find, with respect to getting the greatest efficiency out of both our workmen and women and those men who are to become part of the army. This policy must be decided and announced so that preparations may be made accordingly. There is no use in putting this off. The more aeroplanes we make and the more pilots we train, the greater will be our help to Great Britain. When she has clouds of aeroplanes and bombers, the closer will come the day of the break-up of the enemy. When that day comes, we must have trained men. The people of Europe to-day are getting fed up with war, so we are told, and I say that the government should put the pressure on now.

The Minister of Munitions and Supply has pointed out the difficulty of obtaining materials, and particularly metals such as steel. He has mentioned, too, the situation with regard to labour. He, along with the Minister of Finance (Mr. Ilsley), have urged the people of Canada to refrain from the purchase of articles which contain those metals and materials, and in that way to lessen domestic consumption. Do Canadians really think that this government is sincere in its request when it continues to flow steel and labour, and no doubt other materials, into

the construction of the Montreal terminal? How can the government justify such action on its part?

We have also been urged to conserve Canadian dollars; and still we have steel coming in from the United States for this job. How can that be justified? How can anyone reconcile in his mind the government's request for the conservation of dollars with its being such a flagrant offender in the wastage of those dollars? It just does not add up.

Something must be done with regard to the increased adverse balance of trade, which amounts to about $20,000,000 or $25,000,000 monthly. Where do we obtain the funds to buy United States magazines? When one considers the covers and contents of some of those magazines, he wonders why people buy them. Does anyone believe that many of these magazines entering this country from the United States do anything to help Canada's war effort? I believe the funds spent in the purchase of these magazines might very well be conserved.

Another matter with which I wish to deal at this time is one which I believe at a time like this is of the utmost importance. I refer to the necessity of installing as quickly as possible a powerful shortwave radio broadcasting station with a volume of possibly 50,000 watts. Canadians are well liked in Mexico and in South American republics such as Chili, the Argentine, Brazil, Peru and several others; but they have very little opportunity of visiting those countries. It is almost impossible to do so in war time. Friendly relations must, however, be maintained. For purposes of trade it is important that we maintain connections with those countries, and we should have facilities for broadcasting to them. We know that in these days they are having their minds poisoned by German and Italian propaganda broadcasts. Up to now, on account of their friendly relations with this country and with the United States there has been a certain amount of resistance to those broadcasts. If, however, one hits hard enough or often enough in one particular spot, he will wear down that resistance; and that is what the foreign broadcasts may do.

Mr. DEPUTY SPEAKER: I must remind the hon. member that he has exhausted the time at his disposal.

Mr. ROSS (St. Paul's): Just a few minutes more, and I shall have finished.

Mr. DEPUTY SPEAKER: I shall assume that the hon. member has unanimous consent.

Mr. ROSS (St. Paul's): We must have some way of counteracting those foreign broadcasts. For that reason, if for no other, it is vital that as quickly as possible Canada should install a shortwave broadcasting station.

Let us consider another angle of the problem. What would be the result if anything happened to the British Broadcasting Corporation. They are now broadcasting to those countries to the south of us, but I am wondering what would happen if their programmes were either completely or partly shut off. It seems to me that as part of her war effort Canada might help Great Britain by erecting a station such as I have suggested. This should be done quickly. Under the frequency reservations provided by the Berne conventions, the Canadian Broadcasting Corporation were allotted ten bands. I have the details here, but I shall not take time to place them before the house. With the exception of one which is not much good, through lack of use by us and encroachment or squatting by others, these have all been lost to Canada.

I am told on good authority, however, that we might use the 25 metre and 31 metre bands, and the use of those bands would permit us to reach practically any point in the world. The installation, with directional antennae, would cost about half a million dollars, if we act quickly. That is not very much money for something which is practically a necessity. The cost of installation is increasing; that is the trouble. I cannot urge this too strongly as a war measure of the first importance. Not only is it of importance to Canada, but it is a way whereby we may give assistance to Great Britain by providing her with a duplicate system.

I have only one more point to bring out—

Mr. DEPUTY SPEAKER: I understood the hon. member had leave to continue for only a few more minutes. He has now spoken for more than five minutes over his allotted time.

Mr. G. A. CRUICKSHANK (Fraser Valley): Mr. Speaker, I appreciate the applause of hon. members of the opposition, because I realize it is for me. I was almost going to suggest that it was eleven o'clock, because I did not know whether or not the bands were going to be brought into play. I want to be brief, because I understand another hon. member is to follow me.

I am not going to be selfish in my praise and mention merely the mover and the seconder of the address in reply to the speech from the throne. On the contrary, I am going to praise all hon. members who have made speeches. I think most of them have

been very good. Most have been constructive. If a member cannot be critical and at the same time constructive, I do not think he should be elected at all.

I was particularly interested in the observations of the hon. member (Mr. Ross, St. Paul's) who immediately preceded me, because he gave me something to talk about. He pointed out that this was not an ordinary session, but rather that it was a session of campaigning. From what he said I can well understand why he called it a campaign session, because he took special pains particularly to praise the war effort of the good ladies in his constituency who are working for the Red Cross. It is obvious that he is beginning his campaign already.

The hon. member who preceded me accused the Liberal party of playing politics. During my short term in the house I have come to the conclusion that each and every member in it, and particularly the lady member, is a good fellow, irrespective of party. I note the hon. member said that we are steeped in party politics, and that the party to which he belongs is as keen to win the war as we are. I wish I had time to tell him something about the partisan politics of the Liberal administration in British Columbia—because every appointee has been a Conservative.

When the hon. member states that the war effort of his party is as keen as that of ours, I shall give him credit for his statement. In that connection I shall read the observations of a member who, although not the house leader of the Conservative party, is the organizer for that party in Canada. The Vancouver *Province,* the Conservative paper of British Columbia, quotes that gentleman in its issue of October 21. We of the Liberal party do not claim to possess all the patriotism there is in the world; we do not contend that we are the only people who want to win the war; we do not contend that we are the only people who can win the war, but possibly the present organizer of the Conservative party has a greater right than we. I intend to quote him.

Mr. MacNICOL: Is he the organizer?

Mr. CRUICKSHANK: I am promoting the hon. gentleman. I quote:

John R. MacNicol, president of the dominion Conservative association, took the federal government warmly to task Saturday.

And again:

Mr. MacNicol affirmed the Conservative party's central objective was to win the war. "And we're going to win it," he exclaimed, "because God is on our side."

That is from the Vancouver *Province.* I wonder who was on their side for the last ten years. Reference has been made to lack of preparation for this war, but personally I do not think any government can be blamed for lack of preparation prior to a war. The people are to blame because they allow no government to prepare properly. There is one member in this house who can claim more credit than any other member. He does not happen to belong to the party to which I belong, but I want to congratulate the hon. member for Saskatoon City (Mr. Bence) upon sending into oblivion the worst detriment to Canada's war defence we ever had, the former hon. member who said, "not one dollar for national defence."

Certainly mistakes have been made in the past, and no doubt many will be made in the future. Do not think I am not going to criticize the government for some of the mistakes they have made. They had better not make them again in the future. In my opinion many of the mistakes that have been made could have been eliminated had more attention been paid to the elected members of parliament rather than to the so-called dollar-a-year men who are cluttering up the streets of Ottawa. That is about all they are doing. We have been elected, rightly or wrongly, by the popular vote. We should be taken more into the confidence of the government; our advice should be asked more often instead of the advice of some of these men who could not be elected in British Columbia to the office of pound-keeper. They are responsible to no one, and in many instances they are not responsible at all. I could quote what other members from British Columbia have said in this regard, especially the hon. member for Victoria, B.C. (Mr. Mayhew) and the hon. member for New Westminster (Mr. Reid), but I shall not take up further time.

I think a member should criticize his own government, but he should do it in a fair manner. I do not intend to take up the time of the house by talking of someone who has not a pair of socks or has only two shirts. I was in the army for a number of years; I have been out of the army for a number of years, and I still have only two shirts.

I have another suggestion to make, one which may not be popular with private members. This house should be kept in almost continuous session. It would mean a financial loss to members from the far west to be kept here, but we asked to be elected to represent the people during war time and we should be ready to stay here. In this connection, I should like to quote two people. It has been quite popular this session to quote a gentleman who is probably the

greatest living statesman, present company excepted. I refer to the Prime Minister of Great Britain. Many other members have quoted Mr. Churchill, and I should like to quote his opinion on the continuous sitting of parliament even when it is not known when a bomb may drop into the chamber. This is what he said:

I urge the House of Commons not to lose sight of its democratic duty of giving guidance to the nation and, if necessary, correction to the executive.

In other words, the Prime Minister of Great Britain is asking the members to offer guidance to the executive council. He continues:

To-day, in inaugurating this new session of parliament, we proclaim the faith and sincerity of our resolve to keep vital and active, even in the midst of our struggle for life, even under fire of the enemy, those parliamentary institutions which have served us so well . . . and which have proved themselves the most flexible instruments for securing progress, carrying forward at the same time the traditions and glories of the past which, in this solemn moment of world history, are at once our proudest assertion of British freedom and the expression of our unconquerable national will.

The Prime Minister of Great Britain contends that the House of Commons there should be in almost constant session. I should now like to quote the Prime Minister of Canada (Mr. Mackenzie King). I got a little applause from my left when I quoted the last gentleman and I may not get so much from that direction this time. In my opinion the Prime Minister is the one and only man in public life in Canada to-day who can continue to keep this country unified under present conditions. I give that as my own opinion, but it is the opinion of one representing a constituency which came back into the Liberal fold in the last election for the first time in fifteen years.

Mr. MacNICOL: That is a long time.

Mr. CRUICKSHANK: I will be here for a long time; do not worry about that. This is what the Prime Minister said, as reported on page 43 of *Hansard:*

We face a future unknown and unpredictable. We cannot tell what calamities may strike us before the present year is ended or what perils may be upon us in 1941 or 1942. Failure to view the situation as a whole, and to take account of all conceivable possibilities, might be fraught with the gravest dangers. There must be no surrender to the insistent clamour of those who refuse to look beyond the problems of the moment.

I ask hon. members to notice his words as reported on page 43:

I have sometimes felt that, forced as we are to deal with questions arising from day to day, we lose a certain perspective of the trend of events.

That is the reason why I say that this house should be kept more or less in constant session, irrespective of whether it pleases us as private members. That is a Liberal principle, at least the one upon which I was brought up, that we must have parliamentary rule at all times.

Personally I think the Minister of National Defence (Mr. Ralston) has made excellent progress so far. As I said before, I am not concerned about mistakes which have been made in the past provided they are not repeated in the future. I think I can say quite modestly that I know something about war, having served through the last one. My sympathies are certainly with the present enlisted men. But I do not think the Department of National Defence has made sufficient use of officers and non-commissioned officers who served in the last war, for training purposes at the present time. I think the government has made a tremendous mistake, and I sincerely hope the Minister of National Defence will see that this is corrected.

Second, I do not think the government is paying enough attention to the value of highways as a part of our national defence effort. Each month I receive a book containing details of contracts worth millions and millions of dollars which have been awarded in the provinces of Ontario and Quebec. In my opinion a few million dollars should be spent on what I believe is a most necessary defence measure, that of having a trans-Canada highway. On the Pacific coast, and I know something about it, we are served by two railways and no roads. If a certain country went to war with us, those two railroads would be put out of action within twenty minutes. Would it not be wise for the government of the day, as a national defence measure, to use some of these millions to build the Agassiz-Haig road and to complete the Princeton highway. Hon. members can make up their minds that if war was declared on Canada, our two railways could be put out of action by any twenty-year old boy within twenty minutes. Then there would be no way to get supplies to the defence works that have been built on the Pacific coast. I think not the slightest attention has been paid to that fact by the government.

My hon. friend who preceded me apparently does not think very much of the thirty-day training plan. I think the camps have done wonderful work and I am proud of the way in which the boys have been trained out in my riding. True, they are not soldiers, and nobody ever suggested that one could make a soldier in thirty days. I had the privilege and pleasure of serving with some boys not

of my own unit but from Toronto, and one could not make a soldier out of them in four years.

One suggestion I would make to the government in this connection is that we are going to lose all the benefit of this thirty-day training if we do not make greater provision for the boys continuing their training in the non-permanent militia units or in active service units. I urge the Minister of National Defence to create more militia units and more active service units. We cannot turn loose these young men who have had thirty days' training and expect them to retain all they have learnt and to retain their interest in the army. In my district there is no opportunity whatsoever for an old soldier or a young boy to join either the militia or the army. This government must accept responsibility for that, and it is a grave responsibility. Therefore I strongly urge the Minister of National Defence to create more active service and non-active service units so that these boys can continue their training.

I want to say a word about the discontent that is growing among the soldiers in Canada. There is nothing that breeds discontent more among soldiers than the fact that they are not on active service. Perhaps when they get into the front line they will wish they were not on active service. At all events a soldier in camp is apt to become discontented, and nothing is more likely to breed discontent among the soldiers than the fact that we are saying to them: We cannot afford to give you a free pass on the train to go home and see your family. In my opinion that is ridiculous. We own one of the railroads, and the other railroad presumes that it owns Canada. It is time we should show it that it does not, and I strongly urge upon the government that now is the time to show the boys that we really appreciate their efforts.

The hon. member for Parkdale (Mr. Bruce) and the member who preceded me criticized the Minister of National War Services (Mr. Gardiner) for allegedly suggesting that a factory manager might have to be changed if he could not get the action required in connection with some of the boys taking their training in camp. I am tired of hearing about these poor boys in the factories. Many of them are making more money than they ever made in their lives before, while the boys who have joined up are getting $1.30 a day to protect the boys in the factories. I would suggest to the hon. member for Parkdale that if we taxed some of those immense war industries in his riding and the city of Toronto which are making more money than they ever made before, we could easily find the money for free transportation for our soldiers.

Unquestionably someone fell down with regard to the huts at Nanaimo. I understand that this mistake has been rectified, but it should never have been permitted to happen. We produce in British Columbia 53 per cent of Canada's lumber production, and we have the largest coal mines in the Dominion of Canada. Yet we have more unemployment in British Columbia than in any other province. Whoever it was that was responsible for the blunder in connection with the huts at Nanaimo should have been not only fired but interned.

The time to prepare for the return of the soldiers of this war is to-day, not to-morrow. We all know that tremendous mistakes were made after the last war by both parties; I do not say intentionally, but we ought to take steps now to see that those mistakes are not repeated. I think the private members of the house should be called in to serve on committees where they could give the benefit of their experience in deciding what should be done to look after the boys when they come back, because I warn this house and the government that the conditions which have existed for the last twenty years will never be permitted to exist in the twenty years following the present war.

Moreover, I think it is high time that the government took into consideration this mere pittance of $20 a month that we are giving as a pension to the aged. That amount should be increased. Surely if $20 a month were required to feed an aged person before the war, it ought to be obvious that with war prices, the sum of $20 is not sufficient to-day. A man or woman seventy years of age cannot use that money to advantage in the next world, so let us give them an increase now at a reduced age limit.

I wish to speak for a moment or two now of the junior employees of the civil service, and I can safely do so because there are no civil servants in my riding. I think I am the only person in the riding who has a government job. The federal government is expected to set an example to the employers of Canada, and we as members of the federal house are supposed to set an example to the provincial houses and to municipal governments in our treatment of our employees. Yet in the civil service there are junior employees in the city of Ottawa receiving $55 a month on which they are trying to live away from home. We expect them to live as decent Canadians on $55 a month. We should be ashamed of ourselves, and as a private member I am ashamed of myself. I

take my breakfast in a little restaurant—I live in a room because every apartment is taken by these one-dollar-a-year men who clutter up the city—and in that little restaurant I see these girls, junior employees in the civil service, making a breakfast of a cup of coffee and a cigarette because that is all they can afford; and at supper I see them having a bottle of coca-cola and a cigarette because they are getting only $55 a month to live on. This government has nothing to be proud of in that fact, and I am not particularly proud of having to go back to my constituents and say that as a government we are paying $55 a month to boys and girls to live on. I hope the government will tell some of their $30,000 a year treasury officials that a girl cannot live on $55 a month.

I come from a rural riding, and I should like to speak for a minute on rural conditions in my riding. We have received absolutely no benefit from war expenditures. Like the hon. member for Cariboo (Mr. Turgeon), I am not complaining particularly about war industries not being located in my riding, for it is not particularly suited to the establishment of such industries, although during the last war factory after factory in British Columbia were turning out munitions; but to the best of my knowledge we have not a solitary one turning out munitions for this war. I read in the paper to-day that somebody had suggested in the house that these ships which were being built on the lakes should be sent down to the St. Lawrence before they were frozen in, so that they might be completed and delivered. We have shipyards on the Pacific coast which are working at only half their capacity, and it never freezes there. Let the government give us orders for some of these ships it wants built, and we will build them.

With regard to milk, it may surprise some hon. members to know what the price was in September, 1939. In my riding milk is paid for on a butter-fat basis, and prices are set by pooling the price return of fluid milk, canned milk and butter and cheese. The price in September, 1939, was 35 cents a pound butter-fat; in September, 1940, it was 37 cents—up only 2 cents. That is after one year of war. I hope some of these great industrialists in the east will listen to that. But the price of bran in November, 1939, was $27 a ton, and in November, 1940, it was $29, or up $2. Is the dairy farmer getting anything on that?

For grade A large eggs, in August, 1939, we got 26 cents a dozen; in August, 1940, the price was two cents down, while the laying mash cost 10 cents per hundred pounds more. We are sending lumber by the thousands of cars monthly to be shipped from the Atlantic coast, and the cars come back empty. The farmers of the prairies have millions upon millions of bushels of wheat which they cannot sell; yet we, as a "race" or some other classification, have the stupidity to let those cars come back empty instead of taking the grain out to the Pacific coast to be used. We could profitably produce another $5,000,000 worth of eggs. I want the house to remember this. Last year we exported only $90,000 worth of eggs from British Columbia. We could produce profitably for export $5,000,000 worth of eggs for Great Britain if we got a reasonable rate on our grain.

I recently heard an hon. member from Ontario, I believe it was the hon. member for Peterborough West (Mr. Fraser), remark that the west was getting all the grease at the expense of Ontario. Possibly the west is getting the grease, but I want to point out to that hon. member that the industrial centres in Ontario have been getting the gravy for the last fifty years. I do not wish to depreciate in any way the efforts of the wheat grower to secure justice in this house, but there are also farmers in the maritimes and in British Columbia who should have equal consideration. I hope that the prairie farmers get their just dues.

We are making a new effort in my particular district. I am glad that the minister concerned is here. I am sorry that the Minister of Agriculture and of National War Services (Mr. Gardiner) is absent from the house at the moment—not that I want to have any argument with him, because I notice that a number of my hon. friends on the left have tried that. We are endeavouring in my riding to establish bulb-growing. Those who are familiar with the subject know that it takes from five to twenty-five years to become established in the bulb industry, and some of the bulbs may cost $100 or $150; that is your initial stock; the bulb has to be divided and re-divided, and you gradually build up until you get an acreage large enough to enable you to ship bulbs. That may take from five to twenty-five years, according to the amount of capital.

As I have said, we are trying to establish that industry in British Columbia. In no way will it compete with farmers elsewhere. There never was a time, when, owing to world conditions, it was so practicable as at present to establish ourselves in this line. While our farmers are establishing themselves, striving to gain an existence and to become independent, they depend to a great extent on the sale of cut flowers. This

year they got the magnificent sum of 4 cents a dozen for cut daffodils, out of which they have to pay for cultivating, cutting, packing and freight. I hope the Minister of Finance (Mr. Ilsley) is taking this in, because he is going to have a long interview with me the day after the house rises, when he will not be so busy. The farmer gets 4 cents a dozen, and what have we done? We have allowed him an exemption up to $500 from sales tax on cut flowers and bulbs, and if he sells $501 worth the 8 per cent tax is applied and he must pay $40.08 sales tax. I know that this war has to be paid for, and I understand that the primary reason why hon. members are here is to find ways and means of winning the war and paying for it. But I suggest that it is not sound economy, it is not to the best interests of Canada, to force men who may become established in this line into the industrial centres by taxing them to pay for the war effort, when there are other ways of doing it.

There is one thing I want to suggest before I close. I do not know how much time I have, but I do not believe anyone else wants the next five minutes, so I will go on. We have in British Columbia a tremendous number of unemployed. We are not reaping any of the benefits of war industry. There is one way whereby the government could aid us, provided we have the resources we are reported to have in the Turner valley. I understand—I have never heard it contradicted by reliable authority, and I am speaking not of these dollar-a-year men, but of independent, reliable men—that we have enormous quantities of gas and oil in the Turner valley. At the present moment one thing Hitler is worried about in connection with his war effort is his supply of oil, and every hon. member knows that the greatest worry the British government has to-day is to protect its oil supplies. If we have the oil in the Turner valley, in my opinion now is the time, not after the war reaches our shores, to pipe it to the Pacific coast. We have the men; we are preparing at the coast for the time when the oil will be there; and we have the material.

One other item before I close, and I want the minister to bear this also in mind. I am sorry that he is sitting in the back row, but I hope that he can hear me. We talk about conserving exchange, and I listened with a great deal of interest to a discussion by two hon. members on foreign exchange. I admit that I do not know anything about the subject, but I do know a little about common sense. In the city of Toronto to-day is a lady whose husband is serving in the bombing section of the Royal Air Force—serving in our defence. About two weeks from now that lady will have a baby, yet her husband cannot send any part of his cheque out here to pay for her keep. Did one ever imagine anything so ridiculous? The reason is the foreign exchange regulations. I could cite a dozen other cases. Surely the minister does not know what is going on. If he does, does he think it is fair that a man who this very night is flying a plane to defend us, cannot send part of his pay to his wife, and that at such a time she has to depend on charity? A man working for a Canadian firm in London whose wife is in Toronto cannot pay her a portion of his wages owing to the rules governing foreign exchange. These are facts. I am perfectly sure the minister did not know them or they would not be allowed to exist.

Mr. ILSLEY: The Canadian government does not stop a remittance of that kind.

Mr. CRUICKSHANK: I am glad to have the minister's explanation. But I am sorry to say that no later than last Sunday this lady in Toronto could not get her money. I can give her name.

Mr. ILSLEY: It is not this government that is responsible.

Mr. CRUICKSHANK: I know, it is the British government. But am I to be told here that we are a part of the British empire, and yet we cannot find some way to avoid this lady being compelled to subsist on charity? What are we here for if we are not part of the British empire? It is to face such questions that we as members are assembled here, and as long as I am a member of this house I shall never be satisfied to offer any alibi or any excuse when the wife of a man who is flying a bomber to-night in defence of London and of ourselves has to depend on charity.

On motion of Mr. Hanson (Skeena) the debate was adjourned.

On motion of Mr. Ilsley the house adjourned at 10.53 p.m.

Wednesday, November 27, 1940.

The house met at three o'clock.

LIBRARY OF PARLIAMENT

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

That a message be sent to the Senate to acquaint their honours that this house has appointed the honourable the Speaker and Messieurs Adamson, Aylesworth, Black (Chateauguay-Huntingdon), Bruce, Cardiff,

Casselman (Grenville-Dundas), Castleden, Emmerson, Eudes, Farquhar, Fontaine, Fournier (Maisonneuve-Rosemont), Gershaw, Goulet, Graham, Green, Henderson, Howden, Hurtubise, Jaques, Jean, Lizotte, Macdonald (Halifax), MacKenzie (Neepawa), MacKenzie (Lambton-Kent), Macmillan, Marier, Martin, Mayhew, Moore, Poirier, Pouliot, Purdy, Raymond, Reid, Rickard, Ross (St. Paul's), Shaw, Telford, Thauvette, Warren, Winkler, Wood and Woodsworth, a committee to assist his honour the Speaker in the direction of the library of parliament, so far as the interests of the House of Commons are concerned, and to act on behalf of the House of Commons as members of a joint committee of both houses on the library.

Motion agreed to.

PRINTING OF PARLIAMENT

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

That a message be sent to the Senate to acquaint their honours that this house will unite with them in the formation of a joint committee of both houses on the subject of the printing of parliament, and that the members of the standing committee on printing, viz., Messieurs Bercovitch, Bertrand (Terreboone), Blanchette, Bourget, Casselman (Grenville-Dundas), Castleden, Chambers, Chevrier, Claxton, Cloutier, Corman, Damude, Denis, Dubois, Durocher, Edwards, Emmerson, Esling, Evans, Ferland, Fleming, Fraser (Peterborough West), Furniss, Goulet, Grant, Green, Hallé, Healy, Hlynka, Hurtubise, Kuhl, Leader, MacDiarmid, MacKinnon (Kootenay East), MacLean (Cape Breton North-Victoria), McGregor, McNevin, Mills, Moore, Mulock, Nicholson, Purdy, Rhéaume, Ross (St. Paul's), Sinclair, Sissons, Soper, Tucker, Tustin, Weir, White, Whitman, Winkler and Wood, will act as members on the part of this house, on the said joint committee on the printing of parliament.

Motion agreed to.

NATIONAL RESOURCES MOBILIZATION

AMENDMENT OF PROVISIONS OF ACT RESPECTING EXEMPTION FROM LIABILITY TO SERVICE

Mr. T. L. CHURCH (Broadview) moved for leave to introduce Bill No. 4, to amend the National Resources Mobilization Act, 1940.

Some hon. MEMBERS: Explain.

Mr. CHURCH: Mr. Speaker, this bill is complementary to the one I introduced a few days ago amending the Militia Act, and will have the effect of preventing the exemption of conscientious objectors. It will amend the National Resources Mobilization Act by striking out therein the reference to conscientious objectors.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

SUSPENSION OF SPECIAL ORDER, TO PROCEED TO QUESTIONS AND MOTIONS FOR PAPERS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, with the consent of the house I move:

That consideration of the special order relative to the debate on the address to His Excellency be suspended until the house has proceeded to the orders respecting questions and notices of motions for the production of papers standing on the order paper.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WAR MATERIALS AND SUPPLIES—CONSTRUCTION CONTRACTS

Mr. FAIR:

What is the number and value of war contracts, by provinces, awarded to individuals and corporations by the Department of Munitions and Supply and its predecessor purchasing bodies from September 1, 1939, to date, for (a) war materials and supplies of all kinds, (b) construction contracts?

Mr. HOWE: Answered by the minister, page 244 of *Hansard*, in reply to a question by Mr. Hazen, M.P., and page 262, *Hansard*.

DEBERT MILITARY PROJECT

Mr. PURDY:

1. Is the government aware that as at November 14, the civilian employees on the Debert military project had not been paid for the two-week period ending October 31, and that previous pays had also been seriously delayed?

2. If so, has this matter been adjusted since the above date?

3. Will steps be taken to ensure that in future payment will be made within 5 days of the closing of the pay periods, i.e., 15th and end of each month?

Mr. POWER:

1. It is the practice of the Department of National Defence to pay civilians employed on military projects on the 1st and 15th of each month. However, at present, conditions at Debert are somewhat abnormal in that about 4,000 cheques have to be issued each pay day. Pay lists have to be checked and defence tax calculated for each individual payment. This does not allow of the cheques being issued in less than ten days after each pay day. Actually it means a delay only in the first pay.

2 and 3. See answer to No. 1.

BUREAU OF PUBLIC INFORMATION—STAFF

Mr. BENCE:

1. What are the names of the persons employed in the bureau of information?

2. What is the salary and/or allowance of each such person?

Mr. GARDINER:

1 and 2.

Name	Salary	Allowance
G. H. Lash	Nil	$10 per day
Claude Melancon	Nil	$10 per day
W. Herbert	$4,800 per year	Nil
George Hambleton	$3,000 per year	Nil
S. Cuddy	$3,240 per year	Nil
Miss M. Mosley	$1,380 per year	Nil
Miss H. Hilborn	$1,080 per year	Nil
Miss J. MacMillan	$1,080 per year	Nil
Miss E. Hodgins	$1,080 per year	Nil
Miss F. Potts	$1,080 per year	Nil
Paul Houle	$1,080 per year	Nil
Rene Danis	$ 720 per year	Nil
Miss M. Hennessy	$ 720 per year	Nil
Miss E. Simpson	$ 720 per year	Nil
Miss E. Wilson	$ 720 per year	Nil
Miss M. Lever	$ 720 per year	Nil
Miss J. Love	$ 720 per year	Nil
Miss H. Lavigne	$ 720 per year	Nil
Miss M. Mascoe	$ 720 per year	Nil
Miss J. MacDonald	$ 720 per year	Nil
Cornelius Curtin	$ 420 per year	Nil
George Halpern	$ 420 per year	Nil
Arthur Schryburt	$ 420 per year	Nil
Guy Jasmin	$ 10 per day	Nil
Placide Labelle	$ 10 per day	Nil
J. G. A. Boisvert	$1,380 per year	Nil
Miss T. Brunet	$1,080 per year	Nil
Miss M. Menard	$1,080 per year	Nil
Miss P. Swanson	$ 720 per year	Nil
M. Seguin	$ 420 per year	Nil
Bruce West	$ 10 per day	Nil
Joffre Dechene	$ 180 per month	Nil
Miss D. Hall	$1,080 per year	Nil
Miss C. Asselton	$ 19 per week	Nil
Miss J. Emond	$ 18 per week	Nil
Miss M. Clairoux	$ 18 per week	Nil
Mrs. Olive Burns	$ 60 per month	Nil
Miss B. Gallien	$ 60 per month	Nil
Miss Jacqueline Nolet	$ 60 per month	Nil
George O'Connor	45 cents per hour	Nil
A. Pettitt	45 cents per hour	Nil
H. Bickerton	45 cents per hour	Nil
L. W. Brockington	$ 750 per month	Nil

PRAIRIE FARM REHABILITATION—SASKATCHEWAN COMMUNITY PASTURES

Mr. CASTLEDEN:

1. How many community pastures are operating in Saskatchewan under the Prairie Farm Rehabilitation Act?

2. What is the rate of fees for each animal kept in these pastures?

3. How many cattle have been lost through disease while in these pastures for each of the years 1938 and 1939?

4. How many cattle have been lost through theft from these pastures for each year since they commenced operation?

5. What provision is made to recompense the owners of cattle lost by theft while in these community pastures?

Mr. GARDINER:

1. 52.

2. 49 pastures: monthly rate—cattle 35 cents; horses 50 cents. Summer season rate—cattle $1.75; horses $2.50. Winter season rate—horses $2.

3 pastures: monthly rate—cattle 30 cents; horses 40 cents. Summer season rate—cattle $1.50; horses $1.75. Winter season rate—horses $1.50.

3. 1938—4; 1939—5.

4. None.

5. The dominion does not assume responsibility for cattle lost by theft.

S.S. "NEW NORTHLAND"

Mr. McGREGOR:

1. Has the government chartered the *New Northland* from the Clark Steamship Company Limited?

2. If so, is it a charter party, or under what arrangement is this vessel being used by the government, and what subsidy or remuneration is being paid for it?

3. What service is this vessel performing for the dominion government?

Mr. MACDONALD (Kingston City):

1. The vessel was chartered by the British Admiralty.

2. It is not expedient for this department to publish information with regard to the use to which the Admiralty have placed this vessel.

3. Answered by No. 2.

MINES AND RESOURCES—PUBLICATIONS

Mr. McGREGOR:

1. Have publications been distributed by the Department of Mines and Resources since January 1, 1939?

2. If so, why were these publications not distributed by the king's printer in accordance with the Public Printing and Stationery Act?

3. Has the government taken any action on the recommendation of the auditor general in his report for the year ending March 31, 1940, page 174, that these publications should be distributed by the king's printer?

Mr. CRERAR:

1. Yes.

2. Publications of the Department of Mines and Resources are being distributed by the king's printer but it has not been considered practicable to place distribution in his hands exclusively. Requests for technical information can best be dealt with by persons familiar with the particular subject. Frequently explanations and data supplementary to that contained in departmental reports are necessary and can only be supplied by technically qualified departmental officers. Some publications are sold or distributed at points away from Ottawa, for example historic site booklets which are sold at the particular sites described in the booklets. National parks literature of a general character is distributed by the national parks bureau to which requests for copies of such literature are normally addressed. Such pamphlets are also used to reduce correspondence.

3. No. The policy which has been in effect for many years is being continued.

ILE D'ENTREE, MAGDALEN ISLANDS, LIGHTHOUSE KEEPER

Mr. ROY:

1. Is Mr. D. K. McLean, lighthouse keeper at Ile D'entree, Magdalen islands?

2. If so, what is his annual remuneration?

3. Is he performing any other duties?

4. Does he receive a pension as a returned soldier?

5. If so, what is the amount of such pension?

Mr. CASGRAIN:

1. Yes.

2. $1,980, out of which he is required to provide for the services of an assistant.

3. So far as the Department of Transport is aware, he has no employment other than his position as lightkeeper.

4. Yes.

5. $24 per month.

*TRANS-CANADA HIGHWAY

Mr. HANSELL:

1. What is the total estimated cost of the federal coast to coast highway?

2. What has been the total annual expenditure on this highway since the commencement of the project?

3. What part or parts and mileage of this highway was built each year?

4. What is the total estimated mileage of the survey?

5. How many miles of this highway have yet to be completed?

Mr. CRERAR: The federal government has no coast-to-coast highway project under construction. I assume that what was in the mind of the hon. gentleman in asking this question was the federal government expenditures on the trans-Canada highway. If my hon. friend will reflect, he will realize that the matter of roads is wholly within provincial jurisdiction. The other portions of his question would come under this answer. However, for the information of my hon. friend and of the house I might state that at various times in the past assistance has been given to some of the provinces toward the cost of road projects which, when linked up, would go to make a coast-to-coast highway. The government has no information as to what the total costs of these projects would be, although it could furnish information as to

what the federal government has advanced up to the present time. A section of what will be a trans-Canada highway was built by the federal government in British Columbia under an agreement with the province, the section running from Golden to Revelstoke. Also the portions of the road constructed in Banff and Yoho national parks would be a wholly federal expenditure.

PRAIRIE FARM ASSISTANCE—YIELDS NOT ACCEPTED BY COMMITTEE OF REVIEW

Mr. MARSHALL:

1. What awards were made under the terms and provisions of the Prairie Farm Assistance Act covering yields not accepted by the committee of review?

2. Were any awards made where hail was the cause of low yield? If so, where and under what conditions?

3. In what townships were overpayments made and unrecovered as at November 1, 1940, and what were the circumstances regarding these overpayments?

Mr. GARDINER:

1. Awards were made as follows where the committee of review recommended that no award be paid:

	No. of Townships
Manitoba	14
Saskatchewan	62
Alberta	20
	96

The following townships were placed in a higher award category than was recommended by the committe of review:

	No. of Townships
Manitoba	9
Saskatchewan	15
Alberta	5
	29

All the above awards were duly authorized by the Minister of Agriculture under the terms of the Prairie Farm Assistance Act. The changes from the committee's recommendations arose as follows:

1. From appeals, supported by affidavits as provided by regulation 4c under the act.
2. From further review by departmental officials, based in some instances on the receipt of additional information.

2. Yes. Hail was accepted as a cause of low yield in respect to all awards under section 3 of the act—emergency year assistance.

3. Overpayments wholly or partially recovered as at November 1, 1940, were made to one or more individuals in each of the following townships:

Mer.	Rge.	Twp.
1	6	4
1	6	7
1	15	1
1	24	6
1	28	18
1	32	17
2	1	17
2	6	2
2	6	14
2	7	2
2	7	6
2	7	21
2	8	17
2	10	16
2	13	7
2	14	2
2	14	8
2	15	3
2	15	9
2	15	15
2	16	24
2	17	6
2	17	23
2	18	17
2	18	23
2	20	8
2	20	12
2	22	9
2	22	22
2	23	23
2	24	10
2	25	5
2	25	15
2	26	15
2	27	10
2	27	20
2	28	16
2	28	19
2	28	20
2	29	16
3	3	24
3	4	14
3	6	20
3	7	14
3	8	21
3	9	15
3	14	43
3	17	47
3	20	2
3	20	3
3	20	49
3	25	7
3	26	18
3	26	26
3	26	41
3	27	21
3	28	9
4	3	28

Mer.	Rge.	Twp.
4	6	10
4	8	6
4	8	7
4	12	44
4	15	2
4	17	7
4	18	7
4	21	15

Forty-one of the outstanding overpayments, amounting to $6,969.24, resulted from persons being paid who were later found to be ineligible.

Twenty-four of the outstanding overpayments, amounting to $970.45, arose from errors in computation in the P.F.A. office.

Eight of the outstanding overpayments, amounting to $348.96, originated from release of cheques by the treasury office before township eligibility had been confirmed.

WAR MATERIALS AND SUPPLIES—PURCHASE AND MANUFACTURE IN CANADA

Mr. ROSS (St. Paul's):

1. Are the following being manufactured in Canada: (a) Lee-Enfield rifles, (b) Colt and Browning aircraft machine guns, (c) two-pounder anti-aircraft guns and carriages, (d) 25-pounder quick-firing guns and carriages, (e) 40 mm. Bofors anti-aircraft guns, (f) 3·7 anti-aircraft guns and mounting, (g) 20 mm. Hispano Suiza aircraft guns?
2. Have any of these been produced and delivered?
3. How many of these have been manufactured in Canada?

Mr. HOWE: Answered by the minister, pages 264-265, *Hansard*.

*ESTABLISHMENT OF FRENCH-CANADIAN MILITARY COLLEGE IN PROVINCE OF QUEBEC

Mr. LaCROIX (Quebec-Montmorency):

Will the government establish in the province of Quebec a French-Canadian military college similar to the one already existing at Kingston, Ontario?

Mr. POWER: This involves a question of policy. Should the government decide to establish a military college in the province of Quebec, this policy will be announced in due course.

*CANADIAN FORESTRY CORPS

Mr. NICHOLSON:

In view of the reported lack of sawmills in Great Britain to cut the available home grown timber, has the government considered the feasibility of increasing the strength of the Canadian forestry corps beyond the twenty companies which have now been raised?

Mr. POWER: This question involves a matter of policy. This matter has been the subject of discussion between the British and Canadian governments, and the number of units mobilized was arrived at after consultation between the two governments. The question of mobilizing further companies is a matter of policy which will be announced in due course.

*FREE DISTRIBUTION OF APPLES IN NORTHERN SASKATCHEWAN

Mr. NICHOLSON:

In view of the large surplus of apples, has the government considered free distribution of apples in northern Saskatchewan where the frost has ruined wild and domestic fruit crops?

Mr. GARDINER: It will be difficult to answer this question because of its wording. It is not anticipated that there will be a large surplus of apples this year. Therefore, the matter referred to has not been given further consideration.

*ALASKA HIGHWAY COMMISSION—TABLING OF REPORT

Mr. HANSON (Skeena):

1. Has the joint Alaska highway commission presented a report to the government on its findings?
2. If so, will it be tabled?
3. Has a decision been arrived at as to when construction of this project will be started?
4. If so, what route has been chosen?

Mr. MACKENZIE KING (Prime Minister): This question has reference to the report of the joint Alaska highway commission, and I should like to supplement my answer to the question by tabling the report of the commission at this time.

Mr. GEORGE BLACK (Yukon): Might I ask the Prime Minister when the reports of the joint Alaska highway commission will be made available to the members of the house? I know that one copy has been tabled.

Mr. MACKENZIE KING: The report has not been printed. My hon. friend will probably have to consult the report in its typewritten form. If I can accommodate him in any way by lending him an extra copy, I shall be happy to do so.

*SCHNEIDER-CREUSOT COMPANY—MR. SCHNEIDER

Mr. DUBOIS:

1. Is the government aware that one Mr. Schneider of the Schneider-Creusot Company of France had business connections with a Canadian firm in 1939-40?
2. If so, what is the name of such firm?
3. What is Mr. Schneider's first name?
4. Is the said Mr. Schneider the same individual who was interested in the Skoda factories in Czechoslovakia in 1939?

Mr. HOWE: The government has no information regarding any of the points raised in this question.

*CHAPLAIN GENERAL OF THE CANADIAN SERVICES

Mr. COLDWELL:

What action does the government propose to take in the case of the Chaplain General of the Canadian forces who, on November 20, 1934, according to press reports, extolled Mussolini and expressed a readiness to be one of Hitler's followers?

Mr. POWER: If my hon. friend will permit me to say so, I think his question is probably informative and perhaps provocative rather than inquisitive. The government is not aware of the press report referred to. The appointment of Colonel, the Right Reverend Bishop Wells as principal chaplain, Protestant, was decided upon last October after full inquiry into his qualifications, and nothing which has since occurred would indicate that any error of judgment was made in his selection. The Right Reverend Bishop Wells is now overseas. He saw service in the South African war and in the last war.

TRADE BETWEEN CANADA AND JAPAN

Mr. JOHNSTON (Bow River):

1. Has the government taken the necessary steps to stop the importation of goods from Japan into Canada?

2. Has the government taken the necessary steps to stop the exportation of all war supplies from Canada into Japan?

Mr. MACKENZIE KING:

1. No.

2. Under section 290 of the Customs Act and under the War Measures Act, a system of control for exports to all countries has been established. The policy of maintaining an absolute priority of Canadian supplies for the requirements of Canada, her allies and those countries whose economic and industrial resources have been made available for the prosecution of our war effort, has been in force since the outbreak of hostilities. Information regarding certain commodities, export of which is being restricted accordingly, was given to the house on November 12.

SMALL ARMS LIMITED

Mr. McGREGOR:

1. Where is Small Arms Limited located?

2. Who financed the construction of the plant for Small Arms Limited?

3. Who are the officers of Small Arms Limited?

4. Is Small Arms Limited under the control of any other company?

5. If so, what is the name of the company?

Mr. HOWE:

1. Long Branch, Ontario.

2. The dominion government.

[Mr. Howe.]

3. President and General Manager, G. S. Braden; vice-president, Paul Bourget; secretary, Robert Flavelle; directors, N. P. Peterson, Jas. I. Simpson.

4. No.

5. Answered by No. 4.

WAR CONTRACTS—PROVINCE OF QUEBEC

Mr. LaCROIX (Quebec-Montmorency):

1. What is the total amount of contracts awarded in the province of Quebec since the outbreak of war?

2. What was the total amount of the contracts awarded, since the outbreak of war, (a) in Quebec city; (b) in Quebec-Montmorency county; (c) in Levis county?

Mr. HOWE:

1. Refer to *Hansard*, page 262.

2. Refer to *Hansard*, page 244, Mr. Howe's reply to Mr. Hazen's question.

MUNITIONS AND SUPPLY—SENATOR E. S. LITTLE

Mr. LOCKHART:

1. Is Senator E. S. Little engaged in any work for the Department of Munitions and Supply?

2. If so, what are his duties?

3. What living or other allowances are paid to him?

Mr. HOWE:

1. No.

2. Answered by No. 1.

3. Answered by No. 1.

REPATRIATION OF CANADIAN SECURITIES IN THE UNITED KINGDOM

Mr. COLDWELL:

1. What arrangements have been made with the British treasury for the disposition of some sixty Canadian stocks, bonds and debentures requisitioned in the United Kingdom this month by this government? Are they to be repatriated?

2. Are the said stocks, bonds and debentures to be turned into dollars?

3. Is the entire operation to be undertaken through the Bank of Canada?

4. Upon repatriation, what particularly does the government propose to do with (a) Canadian National Railways' 4½ per cent guaranteed bonds, 1951; (b) Canadian National Railways' 4½ per cent guaranteed bonds, 1956; (c) Canadian National Railways' 4½ per cent guaranteed bonds, 1957; (d) Canadian National Steamships' 5 per cent guaranteed bonds, 1955; (e) Grand Trunk perpetual 4 per cent consolidated debenture stock; (f) Canadian National Railways' (G.T.P.) 3 per cent mortgage bonds, 1962; (g) Canadian National Railways' (G.T.P.) 4 per cent sterling bonds, 1962?

5. What plans have been made by Canada regarding all other Canadian corporation and industrial stocks requisitioned in the United Kingdom?

6. What is the total dollar value of securities to be repatriated under this operation?

Mr. ILSLEY:

1. The Canadian stocks, bonds and debentures listed in the recent vesting order issued by the treasury of the United Kingdom are to be repatriated, as indicated by the Minister of Finance in the House of Commons (*Hansard,* page 282). The Canadian government has made arrangements with the government of the United Kingdom for the purchase of the Grand Trunk 4 per cent perpetual consolidated debenture stock, payment of interest on which is guaranteed by the dominion. The other securities are being sold as opportunity offers, and the sales are being effected on behalf of the treasury of the United Kingdom under the supervision of Mr. T. Carlisle Gifford, representative of the treasury, who in turn is represented in Ottawa by Mr. G. I. Stewart. The Bank of Canada is acting as adviser. It is understood that any bona fide bids to purchase these securities are being considered by the representatives of the treasury of the United Kingdom, that every effort is being made to obtain fair prices for these securities and that particular care is taken to ensure that security markets in Canada will not be disturbed by these transactions.

2. Yes.

3. Answered by No. 1.

4. The question in respect to the Grand Trunk 4 per cent perpetual consolidated debenture stock has been answered by No. 1. As regards the remaining securities referred to in paragraph 4 of the question it is probable that the United Kingdom authorities will be requested not to make any sales except to institutions owned by the dominion government.

5. Answered by No. 1 and No. 2 above.

6. For reasons related to the orderly and effective marketing of these securities, the treasury of the United Kingdom has never made public the value of securities delivered to the treasury under vesting orders. Because of the fact that the Grand Trunk 4 per cent perpetual consolidated debenture stock will not be offered in the market, the objection to publication of figures does not apply. While the amount of this stock owned by residents of the United Kingdom is not yet known, the Minister of Finance estimated that the vesting operation should eventually result in the transfer of about $109 millions to British account in Canada (*Hansard,* page 282). It may safely be anticipated that the total value of the other securities concerned in this question will be substantially less than the amount of this Grand Trunk stock.

HINCHCLIFFE, SASK., POSTMASTERSHIP

Mr. NICHOLSON:

1. Did the Post Office Department notify the branches of the Canadian Legion at either Preeceville or Endeavour, Saskatchewan, of the intention to appoint a new postmaster at Hinchcliffe?

2. Did the Post Office Department write to J. Ross Barrie of Pelly, Saskatchewan, on July 19, 1940, asking him to recommend a suitable person for the post of postmaster at Hinchcliffe, Saskatchewan? If so, for what reason?

3. Is it customary for the Post Office Department to write to defeated government candidates in connection with recommending suitable postmasters?

Mr. MULOCK:

1. No. But in accordance with the usual practice a notice was sent to the provincial command.

2. Yes. To obtain a nomination.

3. Yes. Where revenue of the office is under $3,000.

*DEFENCE OF CANADA REGULATIONS—PEACEFUL PICKETING

Mr. COLDWELL:

In view of the answer of the Minister of Justice at page 258 of *Hansard,* will the government give immediate consideration to the amendment of the Defence of Canada Regulations, so that labour's right to peaceful picketing may not be restrained?

Mr. LAPOINTE (Quebec East): The matter referred to in this question is before the courts, and when a decision has been rendered the question of whether it is advisable to amend the regulations will be considered.

Mr. CHURCH: Is it not the rule that the Minister of Justice who is the Attorney General of Canada shall not be asked to give legal opinions in the house?

Mr. LAPOINTE (Quebec East): The hon. member is quite right.

REPRESENTATIONS AS TO BOMBING IN TERRITORY OF AXIS POWERS

Mr. CHURCH:

1. Has the government made any representations to the government of Great Britain respecting the bombing by Britain of cities and other parts of any territory of the axis powers?

2. If so, what were they, and when were they made?

Mr. MACKENZIE KING:

1. No.

2. Answered by No. 1.

*SUGGESTED COMMITTEE ON WAR EFFORT AND SUBVERSIVE PROPAGANDA

Mr. CHURCH:

Does the government propose to move the appointment of a select committee of the house to (a) investigate and report any subversive anti-Canadian and anti-British propaganda in Canada; (b) to report on Canada's war effort, and how more direct and immediate aid can be afforded to enable Britain to take the offensive in the battle of Britain and other European war areas?

Mr. MACKENZIE KING: The government's intentions in this regard will be made known in due course.

DOCTOR E. W. STAPLEFORD

Mr. QUELCH:

1. Is Dr. E. W. Stapleford employed in any department of the government?
2. If so, what is the annual salary paid to him?
3. What are his duties?
4. What allowance, if any, does he receive for expenses?

Mr. GARDINER:

1. Yes.
2. $5,000 per annum.
3. Director of the division of voluntary services, Department of National War Services.
4. None. Actual expenses when travelling on business of the department.

PURCHASES OF COAL

Mr. HANSELL:

1. How many tons of coal were purchased from the United States by the Canadian National Railways during 1939 and 1940?
2. How many tons were purchased from other countries?
3. How many tons, and what was the actual cost per ton of this coal delivered at (a) Halifax, (b) Saint John, (c) lake ports?
4. Was any of this coal imported by rail? If so, how much, and what was the actual cost per ton?

Mr. CARDIN:

1. Coal purchased from the United States for Canadian National railway lines in Canada: 1939, 1,055,375 net tons; 1940 (to October 31), 1,546,080 net tons.

2. Coal purchased from other countries for Canadian National railways in Canada: 1939, from Canadian mines, 2,916,645 net tons; from British mines, 706 net tons; 1940 (to Oct. 31), from Canadian mines, 2,759,462 net tons; from British mines, 30,793 net tons.

3. Deliveries by water to various ports:1939, Halifax, nil; St. John, nil; Midland, 72,771 net tons; Depot Harbour, 21,190 net tons; Fort William, 235,797 net tons; 1940 (Oct. 31), Halifax, nil; St. John, nil; Midland, 65,720 net tons; Depot Harbour, 21,307 net tons; Fort William, 215,987 net tons.

4. United States coal imported by rail: 1939, 724,802 net tons; 1940 (to October 31), 1,243,066 net tons.

Note: Re prices, Questions 3 and 4:

As the railway management feel it is not in the railway interest to do so, it has not been the practice to make public prices paid by the management for materials and supplies, though such information is made available to the standing committee on railways and shipping if requested.

RACIAL ORIGIN OF OFFICERS AND MEN ENLISTED FOR ACTIVE SERVICE

Mr. HLYNKA:

1. What is the total number of enlistments for active service in Canada at the present time of the following racial origins: (a) Anglo-Saxon; (b) French; (c) Ukrainian; (d) German; (e) Polish; (f) Jewish?
2. What number of each of the above six groups on active service are there in each of the nine provinces?
3. What is the total number of officers on active service in Canada of the following origin: (a) Anglo-Saxon; (b) French; (c) Ukrainian; (d) German; (e) Polish; (f) Jewish?

Mr. POWER: I have replies from all three of the service departments and they all agree that this information is not available in the form requested. To obtain the information would entail a search of all these service files and the diversion of a considerable staff from its regular duties. It would mean looking through the documents of every soldier, sailor and airman. If the house requires it, we may get the information next year some time.

Mr. SPEAKER: Dropped.

SULPHATE OF AMMONIA

Mr. HATFIELD:

1. How much sulphate of ammonia was imported into Canada during 1939?
2. How much sulphate of ammonia was produced in Canada during 1939?

Mr. MacKINNON (Edmonton West):

1. Sulphate of ammonia imported into Canada during the calendar year 1939—3,217 tons.

2. Sulphate of ammonia produced in Canada during the calendar year 1939—129,865 tons.

IMPORTS OF CORN

Mr. HATFIELD:

1. What amount of dutiable corn was imported into Canada during 1939?
2. What amount of duty free corn for manufacturing purposes was imported into Canada during 1939?
3. What was the value per bushel of the duty free corn imported for manufacturing purposes?
4. What is the amount of corn now held in storage in Canada?

Mr. MacKINNON (Edmonton West):

1. Dutiable corn imported into Canada during the calendar year 1939—2,310,279 bushels.

2 and 3. Duty free corn imported into Canada during the calendar year 1939—For distillation, 250,000 bushels, 51·1 cents per bushel. For starch or cereals, 1,824,417 bushels, 57·1 cents per bushel. Corn, n.o.p., 3,484,296 bushels, 57·2 cents per bushel.

4. Corn in storage—November 24, 1939, 6,445,966 bushels. November 22, 1940, 3,920,439 bushels.

FEDERAL GOVERNMENT OFFICE ACCOMMODATION

Mr. CHURCH:

On account of the congestion and lack of adequate office space and housing accommodation in Ottawa, will the government give consideration to having a survey made (a) of office space needed now and in the near future in Ottawa; and (b) to see if part of the government's own offices and that of government commissions and boards cannot be moved to Toronto, Hamilton and Montreal, where space is available, so as to afford better accommodation, and in the interest of efficiency and economy in government?

Mr. MACKENZIE KING: Mr. Speaker, I think this question might be answered by assuring my hon. friend that the government is giving continuous attention to the subject of office space and housing accommodation in Ottawa.

Mr. CHURCH: Might I ask the Prime Minister what he means by "giving continuous attention" to the lack of office space and housing accommodation in Ottawa? Is it like the attention the government is giving to free fares for the soldiers and soldiers' insurance? There is great congestion in Ottawa.

Mr. MACKENZIE KING: The answer means just what it says. The government is giving attention to the matter of space and accommodation and to the difficulties of congestion in the city, etcetera, and in that connection is taking account of opportunities here and elsewhere in seeking to meet the situation.

Mr. CHURCH: Are not some of the offices provincial and doing concurrent work?

PROPOSED NAVAL COLLEGE

Mr. GILLIS:

1. Is the proposed naval academy referred to by the minister for the training of officers only?

2. Will (a) ordinary sailors and (b) sea captains be eligible to take training in this academy?

3. Will the minister state just what class of applicants will be eligible to enrol?

Mr. MACDONALD (Kingston City): The matter of the type of training to be given, the standards of admission, and other like questions are now under consideration.

QUESTIONS PASSED AS ORDERS FOR RETURNS

GOLD FROM BRITISH COLUMBIA

Mr. JOHNSTON (Bow River):

Has the government obtained any gold from any source from British Columbia during the last two months? If so, from whom?

Mr. ILSLEY: Return tabled.

GOVERNMENT PURCHASES OF BUILDINGS IN OTTAWA

Mr. BOUCHER:

1. What buildings in the city of Ottawa have been purchased by the dominion government since September 1, 1939?

2. From whom was each such building purchased?

3. What was the purchase price in each case?

4. What amount of floor space is available in each such building?

5. For what purpose is each of these buildings being used?

Mr. CASGRAIN: Return tabled.

ORDNANCE AND ADMIRALTY LAND, QUEBEC CITY

Mr. MacKINNON (Kootenay East):

1. What ordnance and admiralty land in the city of Quebec is occupied by civic authorities?

2. What is the extent of such land?

3. What is the value of such land?

4. What revenue does the government receive from such land?

5. Has any settlement been arrived at with the civic authorities for the payment of said land.

6. If not, why?

CONNAUGHT RIFLE RANGES—CONSTRUCTION AND IMPROVEMENTS

Mr. BOUCHER:

1. What was the cost of construction and improvements to Connaught rifle ranges?

2. What is the total acreage?

3. To what use were the Connaught rifle ranges put last year?

4. To what use will they be put during the war?

Mr. POWER: Return tabled.

GOVERNMENT LEASE OR PURCHASE OF VESSELS

Mr. CASSELMAN (Grenville-Dundas):

1. How many vessels, if any, of 1,000 tons or less, has the government purchased or leased from private individuals or companies since September last?

2. Who were the vendors of these vessels?

3. What was the purchase price in each case?

4. What was the lease price in each case?

5. What was the nature of each of these vessels?

6. How many of them were yachts or pleasure boats?

Mr. POWER: Return tabled.

Mr. CASSELMAN (Grenville-Dundas): This question, which has been passed as an order for a return, is a repetition of a question which was asked in the previous session and was not answered. I would ask to have substituted for the words "September last" the words "September 10, 1939."

WAR MATERIALS AND SUPPLIES—PURCHASES IN AND OUTSIDE CANADA

Mr. ROSS (St. Paul's):

How many of the following have been produced and delivered to the government for the Department of National Defence, (1) by Canadian factories, (2) from outside of Canada: (a) pairs of boots, (b) suits of battle dress, (c) blankets, (d) pairs of braces, (e) service shirts, (f) greatcoats?

Mr. POWER: Return tabled.

JUDGES

Mr. McGREGOR:

1. How many judges are there in Canada paid by the federal government?

2. How many judges are there in each province paid for by the federal government?

3. What are their salaries?

4. How many retired judges are there on superannuation?

5. How much do they receive from superannuation?

6. Do the judges do any other work such as sitting on royal commissions?

7. If so, how much do they receive for sitting on royal commissions, (a) in salary; (b) living allowances?

Mr. LAPOINTE (Quebec East): Return tabled.

TAXES—COLLECTIONS SINCE 1935

Mr. ROSS (Souris):

What amounts were collected in each fiscal year since 1935 from the following taxes: (1) income tax: (a) individual, (b) corporation, (c) five per cent tax; (2) sales tax; (3) special excise tax; (4) excise tax on cables, telegraphs and telephones; (5) excise tax on railway accommodation; (6) excise tax on matches and lighters; (7) excise tax on cigarette papers and tubes; (8) excise tax on motor vehicles; (9) excise tax on tires and tubes; (10) excise tax on toilet preparations and soaps; (11) excise tax on cigars; (12) excise tax on sugar; (13) excise tax on playing cards; (14) excise tax on wines; (15) stock transfer tax; (16) other excise taxes collected by revenue stamps; (17) excise duty on spirits; (18) excise duty on malt; (19) excise duty on beer; (20) excise duty on malt syrup; (21) excise duty on cigarettes; (22) excise duty on cigars; (23) excise duty on tobacco; (24) customs duties, less drawbacks and refunds?

Mr. ILSLEY: Return tabled.

[Mr. A. C. Casselman.]

EAST CALGARY SUPPLY DEPOT—CONTRACTS FOR BUILDINGS

Mr. JOHNSTON (Bow River):

What is the government's contract price of each of the buildings at the supply depot (Nos. 11 and 2) in east Calgary?

Mr. POWER: Return tabled.

FEDERAL REVENUES AND PAYMENTS ON LOANS TO PROVINCES

Mr. LECLERC:

1. What were the ordinary and special revenues of the Dominion of Canada during the years 1936, 1937, 1938, and 1939?

2. What amount was contributed by each of the provinces during the above years?

3. What is the population of each province?

4. What amounts are required for the following: (a) ordinary administration expenditures; (b) interests on the debt of the dominion; (c) national railways deficits to be met?

5. What amount was contributed by the federal treasury to each province of the dominion during the above years: (a) in regular grant; (b) unemployment relief contribution; (c) unemployment relief works; (d) loans to provinces; (e) advance payments made on wheat in each province?

6. Were the loans referred to in section (d) of previous question refunded?

ROYAL CANADIAN AIR FORCE—CHAPLAINS

Mr. CHURCH:

1. Who are the chaplains on full time and part time serving the Royal Canadian Air Force in No. 1 air training command at Toronto, and where are they located?

2. What are the number of men enlisted by denominations in this air command?

3. On what principles are these appointments made, and is consideration given to the number of men enlisted according to denominations in making these appointments?

4. Have any representations been made to the government in the matter by any heads of clerical organizations in Canada?

Mr. POWER: Return tabled.

CASUALTIES TO SOLDIERS IN CANADA

Mr. CHURCH:

1. How many airmen have been killed in Canada while in training since this war started, and where?

2. Were any coroner's civilian inquests held into the causes thereof, or only military inquests?

3. How many soldiers were killed on troop or other railways while serving in Canada, (a) Canadian National, (b) Canadian Pacific railway?

4. What inquests were held into the causes thereof (a) by civilian authority, (b) by military authority, or (c) by the board of transport commissioners?

5. Will any findings or reports herein be tabled?

6. How many soldiers were killed and injured in each military district on the highways by motor cars or in other accidents?

Mr. POWER: This question will stand as an order for return. I should like to point out to my hon. friend that it will not be possible to produce the documents referred to in question No. 5, "Will any findings or reports herein be tabled?"

Mr. HANSON (York-Sunbury): Coroners' reports are public documents, and they should be available.

Mr. POWER: The department has no control over civilian inquests, or coroners' investigations.

Mr. HANSON (York-Sunbury): The department should have a copy.

NATIONAL REGISTRATION

Mr. HANSELL:

1. What was the total cost of the national registration?
2. What was the total cost of registration in each constituency apart from printing, etc.?
3. What was the total cost for printing, stationery, etc.?
4. What was the total number of people registered?

Mr. GARDINER: Return tabled.

LEASE BY GOVERNMENT OF PROPERTIES IN KINGSTON

Mr. MacKINNON (Kootenay East):

1. Is the dominion government the lessee of properties at 202 Johnson street, and 156 King street, Kingston, Ontario?
2. If so, from whom are they leased?
3. What was the cost of reconditioning each of these properties and rendering it suitable for government occupation?
4. What rent is being paid per month in each case?
5. For what purpose is each property being used?
6. Did not the government own other property in or near the city of Kingston which would be equally suitable for the purpose for which either of these properties is being used?

LEASE BY GOVERNMENT OF PROPERTIES IN PORTSMOUTH, ONT.

Mr. MacKINNON (Kootenay East):

1. Has the government acquired the property known as Calderwood at 188 Union street in the village of Portsmouth, Ontario?
2. If so, when, and what was the purchase price?
3. What is the acreage of this property?
4. What is the total of expenditure made by the government on this property since it was purchased?
5. To whom is the property leased at the present time?
6. What is the period or term of the present lease?
7. Who is occupying the property at the present time?
8. How long has he occupied the property?
9. What rent is being paid per month for this property?
10. Is this property suitable for government purposes?
11. If not, why?

Mr. HANSON (York-Sunbury): I suggest that to pass this question as an order for return is not a very fair way of disposing of it. The answers to this question and the two immediately preceding would be very short.

Mr. POWER: Had the question been worded, "Is the Department of Naval Affairs or the Department of National Defence the lessee of properties, or has either one of the departments acquired certain property," it would have been a simple matter to answer the questions, but they are asked with respect to the dominion government generally, so that all departments would have to be circularised before an answer could be given.

NATIONAL RESOURCES MOBILIZATION—MEN CALLED UP BY PROVINCES

Mr. DIEFENBAKER:

1. How many men have been called up for training under the National Resources Mobilization Act?
2. What are the particulars by provinces?

Mr. GARDINER: Return tabled.

J. N. BAYNE AND H. S. CARPENTER

Mr. DIEFENBAKER:

1. Are the following persons engaged in war or government service: (a) J. N. Bayne, (b) H. S. Carpenter?
2. If so, in what departments, and by whom were they recommended?
3. What does each receive by way of (a) salary, (b) expenses?
4. Were both of these persons formerly in the employ of the government of Saskatchewan? If so, in what capacities?
5. Are either or both in receipt of superannuation or retirement allowances from the province of Saskatchewan? If so, in what yearly amount?

MOTIONS FOR PAPERS

NATIONAL RESOURCES MOBILIZATION ACT

Mr. T. L. CHURCH (Broadview) moved:

For a copy of all rules and regulations issued by order in council or otherwise under the Wartime Service Act, 1940.

Mr. CHURCH: Mr. Speaker, it should read, "under the National Resources Mobilization Act" instead of "under the Wartime Service Act, 1940". A return partly answering the question has been brought down and it is the balance of the information that I am requesting.

Mr. MACKENZIE KING: With that amendment, there is no objection.

Motion as amended agreed to.

PERSONS RELEASED FROM INTERNMENT

Mr. G. R. BOUCHER (Carleton) moved:

For a return showing the number of persons in each of the following categories: Germans, Italians, communists, National Unity party, who have been released from internment since July 27, 1940.

Mr. LAPOINTE (Quebec East): Mr. Speaker, as I said the other day, a return has been made as required under the regulations as revised by the parliamentary committee last year. I have consulted the officials of the department with reference to this question, and I am of opinion that it should be referred to the committee which is going to sit again this session to consider the regulations. If it is found advisable that the information should be made public, I would have no objection, but in the meantime I think that in the public interest the matter should stay as it is.

Mr. HANSON (York-Sunbury): May I suggest that in the return which the Minister of Justice (Mr. Lapointe) filed, the number of internees in the different categories was shown—not the names but the numbers. The corollary seems to me to be that we should have the numbers of those released in the different categories—not the names but the numbers. The department has this information and it is readily available. The only point at issue, as I see it, is the advisability of doing it here publicly or doing it in camera in committee. I am all for publicity, and I ask the minister to be so.

Motion dropped.

REJECTIONS OF ENLISTED MEN SINCE SEPTEMBER, 1939

Hon. H. A. BRUCE (Parkdale) moved:

For a return showing a comparative statement of the number of rejections, for medical reasons, of men who enlisted in the Canadian army since September, 1939, as compared with a similar period of the first great war.

Mr. POWER: Mr. Speaker, I see no very great objection to the motion provided we are able to furnish my hon. friend with the information, but I think he himself will recollect that during the last war this question of rejections on medical grounds was a rather controversial one; and I fear that I would not be able to obtain in the files of the department such information as he might consider accurate. I should not like to undertake to ask the officers of the department to go over all these old files, and so I would say "yes" to the first part of the motion and "no" to the second part.

[Mr. Mackenzie King.]

Mr. BRUCE: My object in asking the question was to be able to answer statements made in this house as to deterioration in the health of our people. I hoped that it would have been found that there had been no deterioration in the health of our people since the last war.

Mr. POWER: I quite agree with my hon. friend that such statistics would be extremely valuable, but I doubt that they are available.

Motion as amended agreed to.

MUNITIONS AND SUPPLY—CONTROLLERS

Mr. FRASER (Peterborough West):

For a copy of all orders in council appointing and prescribing the powers of the controllers in the Department of Munitions and Supply, together with a copy of any regulations or orders made by such controllers and/or by the war time industries control board.

ST. LAWRENCE WATERWAY

Mr. CASSELMAN (Grenville-Dundas):

For a copy of all correspondence exchanged between the governments of Canada, United States and the province of Ontario or between any officials of the said governments from January 1, 1935, to the present time, referring to: (a) a double-stage development of the international section of the St. Lawrence; (b) a single-stage development of the international section of the St. Lawrence.

Mr. MACKENZIE KING: I may say to my hon. friend the member for Grenville-Dundas that I am informed with respect to this matter that such exchange of views as there was took the form of conferences and was not by correspondence and that there is nothing to bring down in the way of correspondence. I assure my hon. friend that if anything can be found it will be brought down. But that is the information that I have.

Mr. CASSELMAN (Grenville-Dundas): Possibly I can ask a question which will direct the right hon. gentleman's attention to the point in which I am interested. Is the government of Canada in possession of a document signed by Doctor Hogg, chief engineer of the hydro electric power commission, supporting a single-stage development of the international section of the St. Lawrence, as opposed to a double-stage development of the St. Lawrence?

Mr. MACKENZIE KING: I shall have to inquire so as to be perfectly sure of the reply, but I will give my hon. friend an answer to-morrow.

Mr. SPEAKER: Stands.

PERMANENT JOINT BOARD ON DEFENCE

Mr. CHURCH:

For a copy of all correspondence, letters, telegrams, memoranda, agreements, and other documents passing between the government of Canada or any officer thereof and the government of the United States or any officer thereof, during the years 1936 to 1940 inclusive, regarding the joint defence of Canada and the United States, together with a copy of all leases, if any, of bases or of any territory belonging to Canada, in connection therewith; and also a copy of all correspondence, etc., exchanged between the government of Great Britain or any officer thereof and the government of Canada, within the said period, relating to the same matter. Also a copy of any orders in council in connection therewith.

Mr. MACKENZIE KING: May I say to my hon. friend and to the house it will be observed that this return asks for documents regarding the joint defence of Canada and the United States. Obviously, any correspondence or documents relating to that particular subject could not be tabled without the consent of the United States government. That would have to be obtained in the first instance. I think, however, hon. members will see that neither the government of Canada nor the government of the United States would wish to table at this time any information which would likely be of service to the enemy. Certainly correspondence which relates to the joint defence of Canada and the United States would be viewed in that light, and it would not be advisable, I think, to have any such brought down.

I might say to my hon. friend that during the conferences which have been held in the United States it was neither suggested nor contemplated by either government that any bases in Canada would be leased to the government of the United States. There may be some documents in the nature of records that might be tabled. I will have a search made, and if there are any such I will seek to oblige my hon. friend by bringing them down, but, beyond an order in council or two, I doubt whether there is anything which could be tabled at this time.

Mr. CHURCH: May I say to the Prime Minister that I see no reason why all this correspondence should not be given the people of Canada in the form of a white paper. With regard to his references to Washington, most of this information has already been published down there; one can find it in the records of congress and the senate, press interviews and statements issued. But the people of Canada are on the whole totally ignorant of most of these matters of defence and foreign affairs.

On July 10 I asked the Prime Minister regarding this, when the debate on the estimates was in progress, and he said that the government had no commitments or understandings of any kind with any government wheresoever. Within a month or so after that discussion on the estimates and on a bill, it was found that there was another agreement made at Ogdensburg which has in it nothing that is new, because it simply lays down what the Prime Minister said before, that the two cardinal principles of our defence policy are home defence and the protection of our neutrality, and if our good neighbours next door know the facts I can see no reason for withholding them from the Canadian public. The fifty newspapermen got them when they were here; they were supplied with information, and some of the information appeared in their newspapers. I see no reason for the objection to the text of the motion.

Mr. MACKENZIE KING: My hon. friend says that some of the correspondence has been published in the United States. If that is the case I certainly shall see that any such correspondence is immediately tabled. I imagine what my hon. friend has in mind is a statement given out at Ogdensburg. I gave this statement to the house and it is already on our *Hansard*. I shall also take steps to ascertain whether there is other correspondence which the government of the United States is prepared to have tabled. I will go just as far as it is possible to go in the matter, but I certainly will not go to the length of tabling any information which might be of service to Germany at this particular time.

INTERNMENT CAMPS—MENUS

Mr. NICHOLSON:

For a copy of the menus provided for German prisoners of war in an internment camp in Canada covering a one week period.

Mr. CASGRAIN: I am sorry I cannot give that information to my hon. friend because there is no menu.

ROYAL CANADIAN AIR FORCE—NUMBER OF CASUALTIES AND ACCIDENTS IN CANADA

Mr. CASTLEDEN:

For a return showing, month by month, the number of deaths, crashes and serious accidents to Royal Canadian Air Force personnel which have occurred since the commonwealth air training plan was put into operation in Canada.

ROYAL CANADIAN AIR FORCE—FINDINGS OF COURTS OF INQUIRY

Mr. CASTLEDEN:

For a copy of the findings of all Royal Canadian Air Force courts of inquiry held in each case of serious accident since the commonwealth air training plan was put into operation in Canada.

Mr. POWER: I have some doubt whether it would be in the public interest to permit such a return. I have consulted with the officers of the department and they are unanimously of opinion that no such documents should be produced.

Mr. CHURCH: Are any civilian inquests held?

Mr. POWER: I have already answered that.

BUSINESS OF THE HOUSE

INQUIRY AS TO TABLING OF MAIN ESTIMATES, 1941-42

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I desire to remind the Prime Minister (Mr. Mackenzie King) that on Wednesday last, November 20, I requested the government to give consideration to the question of bringing down the estimates for the next fiscal year before the house adjourns for the long vacation, which, it is intimated, will continue until February 17 next, some ten weeks. Is the Prime Minister in a position to make any announcement in this regard to-day, and if not, will he do so before the house adjourns?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I may say to my hon. friend that the estimates will be brought down immediately on the reassembling of parliament after the adjournment, but it will not be possible to have them brought down before. I would remind my hon. friend that the estimates are for the fiscal year 1941-42, which begins on April 1, 1941, and he, I am sure, will be the first to realize that it is desirable, if the estimates are to be as accurate as possible, that the government should take advantage of such opportunity as it may have in the interval of an adjournment to have them revised with the utmost care.

Mr. HANSON (York-Sunbury): The answer is, no.

[Mr. Castleden.]

NATIONAL DEFENCE

QUESTION OF DISCLOSING UNIT PRICES OF MATERIALS SUPPLIED TO MILITARY DISTRICTS —GARBAGE CANS

On the orders of the day:

Hon. C. G. POWER (Associate Minister of National Defence): If I may be permitted to give the result of my inquiries into the seamiest recesses of the slimy question of garbage cans—

Mr. HANSON (York-Sunbury): I didn't say "slimy," I said, "prosaic."

Mr. POWER: It appears that there was a great deal of misunderstanding in the departments, and perhaps my hon. friend and the departments were at cross purposes. I may take some little time to give the full explanation of this, and I will ask the house to bear with me while I do so.

The first question answered in the return brought down on Wednesday last was:

How many garbage cans have been ordered for use in military camps?

My hon. friend, I think very properly, when the reply came that such articles had been ordered in the month of January, said they could not have been ordered in the month of January because military camps were not thought of at that time. The reply should have read, a total of 26,000 for all army purposes—for army purposes generally and not military camps in the sense of training camps. The reply did not so read and my hon. friend had a right to object. The total was 26,000.

Mr. HANSON (York-Sunbury): I am really interested only in the question of unit prices.

Mr. POWER: I am coming to that, but I wish to have the whole thing cleared up. Ten thousand have not as yet been delivered. The next question was:

From whom were they ordered, and at what price?

As is the custom when the operations of two departments are involved, the answer which it was proposed to submit on behalf of the Department of National Defence (army) was sent to the Department of Munitions and Supply, through whom these goods were purchased. I may say in passing that at the time the purchase was made it was the Defence Purchasing Board of Canada. That was in September 1939. That reply, after being vented, so to speak, by the Department

of Munitions and Supply, was returned to the Department of National Defence with this comment:

The answer meets with our approval, except that the answer for section 2 of the question should not give unit prices, and we would prefer that you kindly have these deleted from your answer, with the notation, "It is not in the public interest to give unit prices on any commodity." This follows the policy which we have adhered to on all questions of this kind. When we give the quantity, we do not give the unit price. When we do not give the quantity, we will give the total amount of the contract.

This is signed by J. A. Marsh, purchase investigator of the Department of Munitions and Supply, but I hasten to add that though in this, as in many other things, Mr. Marsh was not in entire agreement with me on questions of policy, he was acting under instructions received, so that I am not ascribing any responsibility to him. However, I have now the reply:

Through the Department of Munitions and Supply.

Large:—

Canadian John Wood (Vancouver) Ltd.—600 at $3.95 each.
Great West Metal Products Ltd.—1,500 at $3.65 each.
General Steel Wares Ltd.—6,900 at $3.82 each.
General Steel Wares Ltd.—2,000 at $3.95 each.
Collins Never Fail Products—2,000 at $2.60 each.

Small:—

Canadian John Wood (Vancouver) Ltd.—300 at $2.74 each.
Great West Metal Products Ltd.—650 at $2.50 each.
General Steel Wares Ltd.—5,050 at $2.05 each.
General Steel Wares Ltd.—7,000 at $2.10 each.

The next question was:

How many were sent to each military district?

The reply to that question has, I believe, already been tabled. The next question was:

When were they shipped to each military district, and when did they arrive?

The answer is:

Various shipping dates from 1st January, 1940, to date.

It really should be February 1, onwards. It will be impossible for us, without very much work, to get the shipping date, when each separate order was shipped to each district.

Mr. HANSON (York-Sunbury): I would not ask it.

Mr. POWER: The next question is:

Were they put into immediate use or were they stored?

That is where the great question of interpretation arises. In the minds of the people in the office of the Master General of Ordnance, when the order has been given and delivery made and the goods shipped to each district depot, it is considered that the goods are in immediate use. They do not check up with each unit that may require a garbage pail, as to whether each unit has one garbage pail or two or a dozen. I am advised that we could, if it were necessary, find out exactly how many were actually in the local depot stores. The district in which my hon. friend is interested is No. 7. So far as headquarters are concerned, however, they say that the goods are put to immediate use when they have been delivered to the depot stores of military district No. 7. I have a long report on that but I do not think I need read it.

The next question is:

If they were stored, where were they stored?

Some immediately in use were handed over to the units—it might be the army service corps or the infantry.

Those not immediately in use were stored in district ordnance depot. If details are required these can be furnished.

That answers all the questions asked, I believe.

Mr. HANSON (York-Sunbury): The only point of the interrogatory I put was on this principle: Were we to get unit prices? The minister has given certain information. Am I to understand that is to be the practice in future? If so, it is quite satisfactory to us; but if the government takes the attitude, which the Department of National Defence apparently took in the first instance, that parliament and the public are not to have unit prices on any commodity even so prosaic as garbage cans, then we take sharp issue, because we think the public ought to know. That is the whole point of the inquiry.

Hon. C. D. HOWE (Minister of Munitions and Supply): Since the Department of Munitions and Supply and its policy have been mentioned, I may say that the only purpose of the department is so to conduct its business that tenderers quoting can have reasonable protection in respect of information which might be supplied to their competitors. In a private transaction where tenders are called for, where a large departmental store such as Eatons is buying, any firm can quote on the understanding that its competitive position is

protected; that is to say, if it quotes a special price for special reasons, that is a matter between that firm and the buyer. We should like to prevent blanket questions being asked in the house—questions such as, for example, "What are you paying for cloth?" The answers to such questions might be of advantage to firms in the same line of business who might wish to obtain that business and to secure the competitive position of the fortunate contractor.

I have made it quite clear at all times to our staff, however, and I think they understand it, that if anyone wishes to know about a particular transaction, so far as we are concerned we are quite prepared to bring down full information. If hon. members would like to know the price on a certain contract for shoes made at a certain plant—what the unit price was—we would be prepared to answer the question; but to ask what we are paying for all shoes bought is to put a question which we would naturally object to. In other words, if it is a specific question about a specific transaction we desire to give the fullest possible information; if it is a blanket question having for its possible purpose the benefiting of unsuccessful tenderers, putting them in a position to know how to tender the next time, we object. Our only purpose is to conduct the business of the department as efficiently as a large private firm would be able to carry on the same sort of business.

Mr. HANSON (York-Sunbury): I have no desire to debate the matter, but I wish to leave this query with the minister and ask him to think it over. In view of his statement, I am wondering whether, in the expenditure of public moneys, it is desirable that information of the widest kind should not be given to the public. I am afraid his statement will be subject to misinterpretation.

With regard to this particular instance, I knew nothing about this matter until the hon. member for Victoria-Carleton (Mr. Hatfield) called my attention to it. He was not looking for information to aid any competitor; he had no such idea in his mind.

I should like the government to give some further consideration to this question whether in the expenditure of public money there should not be the widest publicity as to prices. I am going to leave it right there. We will all think it over. There may be very sound reasons why the policy enunciated by the minister should be carried out, but at the moment my mind runs the other way.

[Mr. Howe.]

SHIPPING

QUESTION OF CANADA'S PROVIDING SHIPS TO ENABLE FREE MOVEMENT OF TRADE

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to ask the Minister of Transport (Mr. Cardin) a question in connection with the shipping board. It arises out of an address broadcast over the radio last night from London by Right Hon. Ronald Cross, Minister of Shipping, in which he said that the rate at which England is now building ships does not make up for losses due to the submarine menace and air raids on shipping.

Would the minister make a further statement in a day or two if he is speaking in the present debate, either as Minister of Public Works or as Minister of Transport in charge of shipping about Canada's stand?—because there is a very grave disaster threatening. Mr. Cross made an appeal to the United States of America and to the dominions to come to the help of the mother country in providing ships so that Britain will not be starved out and that trade may move freely.

Hon. P. J. A. CARDIN (Minister of Public Works and Minister of Transport): The question raised by my hon. friend involves a question of policy on the part of the government. I would ask him to let the question stand as a notice.

PICTORIAL POSTERS

INQUIRY AS TO USE IN PUBLIC PLACES IN CONNECTION WITH WAR EFFORT

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I noticed in the cafeteria a number of British posters. It is charged that Canadians are not taking matters relating to this war seriously. In the last war these pictorial posters were used widely and to good effect in public buildings, railway stations, hotels and schools. They have proven very effective in England and I would ask if something could not be done about using the same methods in Canada.

Hon. J. G. GARDINER (Minister of National War Services): The matter referred to is at present not only under consideration but certain actions have been taken in regard to it by the bureau of information.

PRAIRIE FARM ASSISTANCE

INQUIRY AS TO DECLARATION OF CROP FAILURE AREA IN SASKATCHEWAN

On the orders of the day:

Mr. T. C. DOUGLAS (Weyburn): I wish to ask the following questions of the Minister of Agriculture:

1. Has the Saskatchewan government applied to have a crop failure area declared in that province under section 4 of the Prairie Farm Assistance Act?

2. Have investigations been made by the federal Department of Agriculture showing such claim to be justified?

3. If so, is it the intention of the government to declare this area a crop failure area within the meaning of the act?

Hon. J. G. GARDINER (Minister of Agriculture): The answer to the first question is yes.

As to question No. 2, the investigations by the board are not yet completed.

The answer to question No. 3 is in accordance with that to No. 2.

ORDER IN COUNCIL DECLARING 1940 AN EMERGENCY YEAR

On the orders of the day:

Mr. P. E. WRIGHT (Melfort): I wish to ask a question of the Minister of Agriculture. Has an order in council been passed yet declaring 1940 an emergency year, and if so will it be tabled before the house adjourns?

Hon. J. G. GARDINER (Minister of Agriculture): Yes, the order in council has been passed. I will see that it is tabled.

CEREALS IMPORT COMMITTEE

QUESTION AS TO PRESENT REPRESENTATIVE IN CANADA

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): May I ask the Minister of Trade and Commerce who is acting in Canada for the British cereals import committee at the present time?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): Answering offhand I would say that the British cereals import committee, acting in connection with wheat purchases, is in touch with the wheat board.

Mr. HANSON (York-Sunbury): That is not the point. Who is representing them?

Mr. MacKINNON: There is nobody that I know except the wheat board.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Tuesday, November 26, consideration of the motion of Mr. Brooke Claxton for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Hanson (York-Sunbury) and the amendment to the amendment of Mr. Blackmore.

Mr. W. K. ESLING (Kootenay West): This unusually long debate prompts a reference to the comment of the Prime Minister (Mr. Mackenzie King) regarding the rules of the house, with particular bearing on the time limitation on speeches of private members. If it is proposed to have a committee appointed to discuss changes in the rules it is to be hoped that the time limit will not be abolished, because in the years since the rules were last amended, in 1927, there have been but few occasions when a private member could not touch the highlights in the debate on the address or in the debate on the budget within the limit of forty minutes. If we were all gifted with the ability to speak as rapidly as, for example, the Minister of Pensions and National Health (Mr. Mackenzie), when he is in high gear, we could get through our speeches in much less time.

As to the reading of speeches, I know it is unpleasant for you, Mr. Speaker, to have to call the attention of a private member to the fact that he is transgressing the rules, but perhaps if the rules are to be amended it might be made optional whether a private member reads or speaks from notes. It is not always easy for an inexperienced member to speak offhand. He is able to make a more impressive speech, and perhaps a more aggressive speech, if he reads it. Then too a private member is somewhat at a disadvantage in comparison with a minister, because a minister has his publicity staff to prepare his notes, put them in sequence and so on, and he has his private secretary. A private secretary is of real value if he can write a speech for a minister to fit any occasion and also be responsible for his minister's political if not his spiritual welfare.

This session was called for the purpose of permitting the ministers to give to parliament and to the country at large a review of the war activities of each department of the government. It must be admitted that there has been given very little that had not already been broadcast or published through the bureau of information or through the various other publicity agencies. I should

like hon. members to ask themselves, have the ministers given to this house any new information in connection with the war beyond the fact that commissioned officers must come up from the ranks and that there is a possibility of extending the term of training under the National Resources Mobilization Act from one month to four months?

There have been criticisms and there have been comments and suggestions and complaints from private members, and perhaps the government may be disposed to take action, particularly in connection with suggestions which are not given in a critical spirit. Take for example the Minister of National War Services (Mr. Gardiner); in connection with the calling of men to the training camps he might be disposed to let it be known that Canadians who are attending universities in the United States, sometimes by reason of the fact that they desire special courses at a university or are taking advantage of scholarships, may be permitted to take their training course after their studies are completed. Word went out to all of them, and the parents were caused considerable trouble because those students were told to report for medical examination. It interferes with their studies, and more than that they are under a heavy expense if they have to come home. Further, the local banks vouched for these boys, and they had to secure from the foreign exchange board permits to cover their tuition. When we refer to a matter, part of which is connected with statutory legislation and the other part with regulations, we realize of course that the statutory legislation must be complied with.

But may I cite the case of a young man who gave up a service station and enlisted in the 111th battery. That battery was transferred to Edmonton. No sooner had it reached there than he was sent to hospital, where he remained for one month. After hospitalization he was discharged from the army and was given a warrant for his transportation to the place of recruiting, namely, Nelson, British Columbia, a distance of 600 miles. The whole journey would require about 30 hours. Despite the month he spent in hospital at Edmonton, no sooner did he reach his destination at the point of recruiting than he was again taken to hospital for another month. After discharge from that hospital he went to his home and was again taken to hospital for a period of four months.

The point I make is that this man, whose condition was such that he had to be hospitalized for six months, was given a warrant for his fare, but no provision was made for a berth or meals. That man had to sit up for almost thirty hours. If one travels on the trains to-day he will meet many commissioned officers. Possibly they pay part of their expenses out of their own pockets, but we do know that they have comfortable accommodation. We know they take their meals regularly. While a commissioned officer may be of greater importance from the standpoint of the military code, the fact remains that a buck private is just as human and should at least have some consideration.

That boy has asked reimbursement for his hospitalization, and he is told that there is no provision for such reimbursement. I refer to this case particularly because I know similar instances will undoubtedly develop. I suggest that when a man is in such poor physical condition it is not unreasonable to provide him with at least a berth and meals. Let me ask any member of the government or any hon. member if he would permit or expect his son to make such a trip without such provision.

May I now speak briefly about taxes. At the last session the Minister of Finance (Mr. Ilsley) brought down the heaviest taxation budget in the history of Canada. The people accepted it with good grace, and they are expecting even heavier taxes in the next budget. They will accept them with good grace—they will always accept taxation with good grace, so long as there is no evidence of profiteering, patronage or a lack of business ability in the operation of the various departments. I suggest however that the minister ought to give serious consideration to taxation by the provinces. Relations between this government and the legislatures in the provinces are such that, regardless of the report of the commission on dominion-provincial relations, it should be in a position to persuade the provinces to curtail their expenditures. To-day in British Columbia, on the eve of an election, they are bringing down the heaviest budget in the history of the province, in the face of the greatest revenue the province has received. Is that any evidence of cooperation with this government? Not the least.

Many times in the house we hear the statement that the government should conscript wealth. Of course it should. The budget shows that the Minister of Finance has not overlooked that fact. I took the trouble to obtain figures from the financial authorities of the three western provinces of Saskatchewan, Alberta and British Columbia. When we consider the taxes in the higher brackets of the federal and provincial governments, what do we find? We find that in British Columbia the combined provincial and federal taxes of a man with a taxable income of half a

million dollars—and there must be such men, because the government makes explicit provision for them—left that man only $4,000. In Alberta the combined taxes amount to $3,000 more than his half million income, the result being that he owes somebody $3,000. Coming to Saskatchewan we find a little more leniency; the man in question would be left $14,000. But it must be remembered that he has still to pay his defence tax. Then, in addition, such people must have their city residences, and must pay municipal taxes. They must pay for the upkeep of their homes, and we look to such people for generous contributions to patriotic and war service funds, and for the purchase of war bonds.

There is only one thing to be done: The minister must use his persuasive powers on the provinces to cut down their expenditures during the war. What may happen? It could easily happen that a man in this high bracket —and those in lower brackets are bearing the heavy burden proportionately—would say, "Well, if I have to pay out my income in taxation I might as well sell my securities, and I would not then have to pay any tax." Such a thing could happen, and when it does the government will have to take emphatic steps in some direction.

I should like to return to the observations of the Minister of National Defence (Mr. Ralston) respecting the western provinces of Alberta and British Columbia, which are to be placed under the Pacific command. It is a matter of regret that the headquarters are not to be established on the mainland instead of on the island. The location indicated involves additional expense, and the delay which will be caused by the necessity of travelling ninety miles by water each way. The distance to travel would be greater than that required were the headquarters in Vancouver, for instance. The people in southeastern British Columbia feel that perhaps their distance from headquarters has been responsible for the districts of Kootenay West and Kootenay East being overlooked. Evidently this prompted the hon. member for Kootenay East (Mr. MacKinnon) to make emphatic representations to the minister and to the departmental officials in connection with the apparent lack of interest in that portion of the province.

These two districts cover considerable territory, because they stretch to the Alberta boundary. We feel that had headquarters been located in Calgary rather than on the island, the attention to the needs of the section would perhaps have been more generous. As the hon. member for Kootenay East showed to the minister and his officials, during the last war these districts gave to the dominion the 54th battalion and the 225th battalion, while in this war four batteries have been raised and all removed to points quite distant for training. This district has also given a number of husky stalwart loggers for the forestry battalion but we have not a single unit in the district. The people have given of the best of their manhood and they feel that the district is neglected.

There are a number of voluntary defence corps throughout the district which have been sponsored by branches of the legion. These units are made up of from 200 to 250 men and are located in Trail, Nelson and Rossland. The men turn out two hours a night for three and four nights a week and are under the direction of officers who served in the last war. They are forced to use wooden guns which are baited with a bit of lead, but they go through with their drills nevertheless. They are the finest specimens of young manhood that could be found anywhere. Many of them are keen to get into a permanent unit, but when they write down here they are simply told that there is no provision for such a unit because no equipment is available. They do not ask for equipment; they are perfectly willing to continue just as they are. But they do want a little recognition from this government. They do not ask for uniforms, they do not ask for rifles, but they are not satisfied when there is no one to whom they can report. They are getting no credit for their efforts and they see no future in what they do. I am going to appeal to the minister from British Columbia (Mr. Mackenzie), the gentleman who represents that province in the cabinet. He is supposed to place his stamp of approval or disapproval upon anything relating to the province, so I make a personal appeal to him to use his good offices with the different departments to see if something cannot be done toward establishing a permanent infantry unit in Kootenay East and Kootenay West.

I come now to the Minister of Finance. He is the motive power behind this war effort. Without his energy, without his ingenuity in raising funds, the rest of the departments would not be able to function. Just in passing I would refer to the importunities which he and the rest of the government have made over the radio to the children of this dominion to save their pennies for the purchase of war stamps and war certificates. Our country must have been deeply impressed last evening when it was announced over the radio that the government—I suppose we might say that this is a contribution to the war effort—was going to do away with the printing of Christmas cards for the ministers. Is not that a

magnificent gesture? I find that there are six ministers who have been in the habit of having their Christmas cards printed at the printing bureau at the expense of the country.

Mr. REID: They are not all Scottish either.

Mr. ESLING: We have heard pleas for economy, we have heard requests that everyone should get behind our national war effort, but I intend to run the danger of being considered a nuisance by attempting to show the minister and the government how they are permitting legalized pillaging of the people of the Dominion of Canada, and how the government itself is contributing money as well as legal sanction toward this end. I intend to appeal first to the Secretary of State (Mr. Casgrain), then to the Prime Minister (Mr. Mackenzie King), and then to the Minister of Finance, because each of them has had a word to say in this matter. I am going to refer once more to the Canadian Performing Right Society. Hon. members may laugh if they want to, but I intend to give the ministers certain facts which are of interest to the taxpayers of Canada.

What is the Canadian Performing Right Society? It is a subsidiary of the picture producers and another similar society in the United States. Previously it was connected with various associations on the continent of Europe, but most of those have passed into history. This society has nothing to do with literary copyright; it deals only with musical copyright. The author or composer of a piece of music should receive every dollar to which he is entitled, but this society should be treated the same as any individual. An individual who composes a piece of music must pay $3 for a copyright. In this case the society is on a par with the individual, because it must pay the same fee. However, when an individual registers an assignment of a copyright, he pays $1 whereas this society pays nothing.

When the society started in business in Canada it was necessary to have certain assets, and the parent society in the United States assigned to the Canadian society 2,500,000 pieces of music. No one in this government or in any other government knew whether the United States society was the owner of that music. I am not saying that the blame should be placed on this side or the other side; I simply say that there is inequality of treatment in connection with this tremendous number of assignments. The government was given to understand that this action was necessary in order to protect the Canadian composers of music, and an arrangement was made whereby the society was permitted simply to fill out a card stating that this or that was their piece of music and file it with the commissioner of copyrights. There is no indication whatsoever of ownership, and I say that the Canadian Performing Right Society should be made to show, before it is permitted to collect one dollar of licence fees, that it owns the music for which it collects its royalty. There is nothing unreasonable about that.

Then take the matter of our contributions. The broadcasting stations pay to this society about $100,000 per year. Those contributions are made in the aggregate by all broadcasting stations. We have to thank the late Secretary of State for the appointment of an appeal board. Were it not for that board, which keeps these people within limits, dear knows what the public would be paying to-day. Last year they attempted to collect from the broadcasting stations $188,000, but the appeal board limited them to $98,000. This year they are trying to collect $210,000, and we have to wait for the appeal board to review the matter.

Also, these tariffs of fees are printed at government expense in the *Canada Gazette*. If you want to read something thrilling, read that tariff published by the Canadian Performing Right Society. Why should the taxpayers pay for the publication of their tariffs of fees which are intended to be charged and are allowed by the appeal board, any more than the government should print free of charge in the *Canada Gazette* telephone or telegraph or any other tolls?

Mr. REID: It is just a racket.

Mr. ESLING: It is a legalized racket. The time has come when the government should take a hand in the matter. The Canadian Broadcasting Corporation do not seem to worry about it. They have paid to this society $136,000 in the last five years. I suppose that this coming year they will pay them in the neighbourhood of $41,000. But we come back with the statement, "Well, we are obligated; we are signatories of the Berne convention." Does anyone in this house suppose that European countries, all of which are signatories to the Berne convention, are going to send any money to authors or composers in England or in Canada? As a matter of fact there are no Canadian members of this society.

I know that this is a dry subject, but I wish the government would appoint two or three men to go into it and show how the people of Canada are being imposed upon, how the public exchequer is being drawn upon, and how the people are victimized in the collection of these fees under threat of legal proceedings. It is time something was

done. I say, pay them every cent which belongs to them, in respect to music to which they can prove ownership, and beyond that let us call a halt. Let us withdraw from the Berne convention, at least until the world gets on an even keel: we can then start anew and find out if there is any merit in the Canadian Performing Right Society; if so, the government will countenance the authority which it enjoys, under a dominion charter, to collect these fees.

Mr. MacNICOL: Is it not a fact that many of the writers of poems and songs for which fees are collected have been dead for generations?

Mr. ESLING: That is the very reason, Mr. Speaker, I say that this society should be required to stand on the same footing as an individual. What has it done? Go back for ten years. Does this indicate any sign of a legitimate operation, that in ten years it has actually paid for the registration of eight copyrights with the commission, and it has paid one dollar each for the registration of twenty-eight assignments? Those are its only evidences of ownership. As I say, it merely files a card, but no evidence of ownership, and it puts on the bottom, "Canadian Performing Right Society." I contend that they should pay for every piece of music for which they propose to collect from now on and for which they have collected in the past.

The Prime Minister, in referring to the rules of the house, also commented on the opposition. He suggested that conditions might arise whereby there would be more groups on this side of the house than there are at present, and that the leader of each of these groups would claim precedence in the conduct of the proceedings. It is inequality in the administration of justice and general discontent which are responsible for groups on the opposition side.

I have just referred to one matter of inequality, and I am now coming to another, the matter of the Doukhobors. You cannot carry on a democratic government with one law for one section of the people and another law for others. You must have uniformity. First of all let me say that the Doukhobors who live in Saskatchewan are quite different from those who live in British Columbia. Those in Saskatchewan are largely concerned with the cultivation of the soil. They take their part in public life. They belong to municipal councils, and they aspire to various public offices. The Doukhobors in British Columbia are a people totally apart from Canadians. They take no part in anything, they do not obey the laws, they have been a source of more trouble to this dominion than any other nationality within its borders. They have committed incendiarism, they have bombed buildings and made all sorts of trouble, and the truth is that neither this government nor the provincial government is capable of coping with them. This government is afraid. The provincial government is afraid. Why? They are afraid of the consequences; they fear an uprising.

At the time of the national registration, through the ingenuity and initiative of the registrar, the majority of these Doukhobors were registered. But they were given to understand that they would not have to participate in warfare.

Mr. CASTLEDEN: I wonder if the hon. member would permit a question. Does he think that we as Canadians have made a real study to try to understand these people?

Mr. ESLING: That is a reasonable question. But does the hon. gentleman not think that forty-two years is a sufficient time in which to make that study?

Mr. CASTLEDEN: Yes. Has it been made; that is the question?

Mr. REID: No one can understand them.

Mr. ESLING: I presented to the government and to its officials a petition from the Canadian residents in the Slocan district of West Kootenay where these Doukhobors are largely located. A group of them have not registered. Of about 5,000 living there, more than 4,000 have registered. But British-born Canadians are protesting against the fact that they must send their boys overseas, perhaps never to return; they must send their boys to training camps, while these husky Doukhobor boys simply remain in the fields carrying on as usual, or getting into jobs which are vacated by those who have gone overseas. Our people ask, is there any justice? Is there to be one law for one person and another law for another? I ask the government to take action in this matter.

What happens in British Columbia? Doukhobors have lost their lands by a court order giving title on foreclosure of mortgages to two companies. The provincial government was afraid to take any steps, fearing that there might be more fires and bombing. I do not blame them particularly, because I understand the circumstances. However, the provincial government had to do something, and what did it do? It passed a law at the last session of the legislature providing half a million dollars to reimburse the two mortgagees, and then they proposed to deal with the Doukhobors individually. Does anybody come to the assistance of a Canadian

farmer when his mortgage comes due and he is in danger of being evicted from his land if he does not make payment? Not much. But these Doukhobors, who do not conform to the law at all, are a law unto themselves. They are above and beyond all Canadian law.

Let me pass now to the Minister of Finance under whose jurisdiction the Canadian Farm Loan Board comes, and I turn to him having in mind the consideration that is shown to the Doukhobors. What consideration is being shown by the Canadian Farm Loan Board to a soldier to whom I shall now refer? There is in my district a soldier who served five years in the last war. He has a wife and five children. On December 1, 1939, he was indebted to the Canadian Farm Loan Board in the sum of $44.21. He received a notice from the board telling him that if he did not pay this $44.21 on December 1—a few days from now—the board will commence foreclosure proceedings. Is there any equality before the law when we look after Doukhobors who are not in harmony at all with our system of living, and when a soldier settler with a wife and five children—a soldier, mind you, who has kept up his payments regularly for the past ten years and has paid his taxes and his insurance, and everything that he owes—is threatened by the Canadian Farm Loan Board under this government that if he does not pay $44.21 by Monday next the board will commence foreclosure proceedings? I leave that to the Minister of Finance, and I ask him to assure this house and this returned soldier that he will see that the farm loan board does not take this summary action that is threatened.

Mr. BRUCE McNEVIN (Victoria, Ont.): May I digress first to congratulate the hon. member for Kootenay West (Mr. Esling), who has just preceded me, upon his remarkable vitality and alertness of mind.

My next thought is to extend my congratulations to the mover (Mr. Claxton) and to the seconder (Mr. Jutras) of the address. The mover succeeded in this House of Commons as representative of the constituency of St. Lawrence-St. George a gentleman who had had a long and honourable career in public life. It is true that I did not at all times agree with the policies which he supported; he represented a different party, but I do not think I could pay a finer compliment to the mover of the address than to say that he offers every promise of equalling if not surpassing the distinguished career of his predecessor.

I also wish to congratulate heartily the hon. member for Provencher (Mr. Jutras) upon his notable contribution to the debate. His remarks I believe will be an inspiration to the people of his native province and indeed to those far beyond its confines.

Before entering into a general discussion of the questions in which I am particularly interested I should like first to make my position abundantly clear on two questions which have arisen in this debate.

First I am prepared to support any suggestion, no matter from what section or group in this House of Commons it may come, which in my opinion will assist our war effort.

Secondly, while we have many important domestic problems facing the people of Canada, they must at all times be considered secondary in importance to the prosecution of the war.

It is my intention to support the main motion now before the house, thereby endorsing the government's policy of a total war effort limited only by the productive capacity of our farms and our factories, and expending in the cause of victory all our natural resources, and utilizing the strength and valour and forbearance of our people of all classes in support of our armed forces.

There is one event which has occurred within recent months which to my mind is outstanding. I have in mind the appointment of a joint committee on defence upon which both Canada and the United States have representation. In the period covering a number of years leading up to this accomplishment, it is true that very many Canadians prominent in the public life of the country made substantial contributions in connection with this matter, but I am sure that the contribution of the present Prime Minister of Canada (Mr. Mackenzie King) remains paramount above all others. To my mind it marks him as the greatest Canadian not only in his time and generation but since confederation. Across the line, it is true, many prominent citizens also made a worthwhile contribution to bring to full fruition this commendable accord, but I am sure we are all agreed that none of these contributions compares with that of the present incumbent of the White House, President Franklin D. Roosevelt. To put it modestly, I believe it marks him as the greatest American since the days of Abraham Lincoln.

I would like now to review briefly our preparedness for war. The Minister of National Defence (Mr. Ralston) the other day gave to the house figures indicating that as of the last of October there were in the Canadian army a little over 300,000 soldiers. I am not surprised to hear that a number of these soldiers are impatient because of apparent inactivity in what might be described as actual warfare; but we must bide our time, strengthen these various units, intensify the

training and keep up to date with every possible type of equipment in order to be fully prepared for whatever eventuality may arise in the dominion or in any other sphere of the conflict.

I believe that the numbers and the condition of these troops give the Canadian people a feeling of security and indeed of pride when we remember that approximately 50,000 of the men are across the water in a number of fields of activity, standing beside the British soldiers and other empire soldiers and other troops, including the valiant Greeks. I am quite sure that the extent of these forces has not passed the notice of the dictators who are oppressing innocent and helpless peoples.

In connection with our air force we have a personnel of 36,071. When we consider the surface development of aerodromes, the various types of construction, the almost unlimited amount of equipment necessary to train, equip and service this force, as well as the other obligations in connection with the empire training plan, it is indeed a phenomenal development.

I might refer also to our naval strength—1,620 officers and 11,653 men, manning 155 ships. These officers and men have already clothed themselves with glory, as our British sailors have done for hundreds of years, maintaining for the motherland, and still holding to-day, the mastery of the seas.

The point I wish to bring out in connection with a summing up of the strength of the Canadian forces is that we have a total of 349,344 men under arms. In the last war, after four years and a few months, at the conclusion of hostilities we had sent into actual combat 346,531 or approximately 3,000 soldiers less, taking all classes of the forces, than we have now combined in these three branches of our defence forces.

When we consider this question from the standpoint of equipment, I do not think I could give a better example than a personal reference, if the house will pardon me. Early in the month of October, 1938, I entered the place of business of a gunsmith in one of the large cities of Canada. I asked him to show me some rifles, and he handed me a 30-30 Winchester, manufactured in the United States. After looking it over and discussing it with him I said, "Have you a Canadian rifle?" He said, "Oh no, we have never made any rifles in Canada except Ross rifles and they were not satisfactory". I asked him. "What about a ·32?" He said, "No." I asked him what about a ·22, and he replied, "I would not be sure; we may manufacture a complete ·22 in Canada but some of the parts may come from the United States or elsewhere". Suppose however we grant that a ·22 rifle was completely manufactured in Canada. Remember that this was in October, 1938. Now, when you consider the machine guns, naval guns, anti-aircraft guns and war equipment that are now being produced in Canada, or are in process of production, can it be definitely proved that the war record of this government has been desultory or ineffective? I say not.

I want to pass to one of our most important domestic problems. I refer to the increasing inequality between farm income and farm expenses. According to a table issued by the bureau of statistics the index of the cost of living on the farm in Ontario from spring until fall of 1940 increased from 87·2 to 89·2. In that same period the index of wholesale prices of farm products fell from 72·1 to 62·7. Of course there is a seasonal decrease which has some influence on those figures, and a certain amount of that decrease will be recovered. Nevertheless it shows the trend, and it illustrates the difficult position of the agricultural industry. I am fully aware that due to war conditions the markets for certain lines of farm products have been substantially curtailed. It is also true that there has been a tremendous expansion of demand for war equipment and manufactured goods related to the war effort which has given a great impetus to the manufacturing industry, and these are factors contributing to this situation.

The agricultural industry might be subdivided into two or more classes. We have for example the sugar beet producers, the tobacco producers, the honey producers and the fruit and vegetable producers; these might be called specialized types of production. Due to climatic or other considerations the production of these commodities is more or less restricted. Then we have the general lines of production, such as wheat, cattle, dairy products and pork products. It is my intention to confine my present remarks to the latter group.

In former discussions in this house I have made my position upon the wheat question abundantly clear, and I have no reason to change my attitude on that important question. I have a great deal of sympathy for the operator of a small or moderate-sized farm in western Canada, whether he is engaged in mixed farming or grain farming or a combination of both. I believe his problems are very much the same as those of the farmer in eastern Canada. What I have strongly objected to is the payment of wheat bonuses without limitation. I still adhere to that objection. It is not my intention for the

moment to press the point further except to refer to the suggestion made in the course of this debate by the hon. member for Souris (Mr. Ross), who suggested the payment of a straight $5 an acre bonus for all summer fallow in western Canada. Would that mean that there would be no difference in the payment in a year when they had a bumper crop in western Canada and a year when they had a crop failure? Would it mean that a man with a thousand acres of fallow would receive ten times as much as a man with a hundred acres of fallow? I cannot see it in any other light. It embodies the principle that to him who has much, much is given; to him who has little, little is given, and to him who has nothing at all, nothing is given. I cannot subscribe to such a policy.

Referring to the cattle industry, it is in a comparatively fortunate position. For this I believe that the present administration is entitled to a good deal of credit, because the Canada-United States trade agreement has been of great benefit to the cattle producers of Canada. I am speaking of beef cattle production.

I do not believe there is any line of agricultural production that is so exacting in its demand on the operator as dairy farming. For the purpose of my argument I am going to divide dairy farming into four classifications: first, producers of whole milk for urban consumption; second, producers of whole milk for the manufacture of concentrated milk and milk powder; third, production of cheese, and fourth, production of butter.

So far as the producers of whole milk for city trade are concerned, in many sections they are in a slightly better position than the general run of milk producers. The milk powder and concentrated milk industry of course pays a smaller price but takes the entire supply, and that type of production also enjoys some advantages.

Coming then to cheese, as it has been said that steel is the barometer in the metal trades, so I think cheese may be called the barometer in the dairying industry in Canada; because over long periods of time the price of cheese has a direct bearing on the general price level of all dairy products.

One question that is much in the public eye just now is the price of butter. From January 1, 1939, to October 1 of the same year, Canada produced 240,070,881 pounds of butter.

Mr. HARRIS (Danforth): Could the hon. member state how much vegetable oil was imported in the same year?

[Mr. McNevin.]

Mr. McNEVIN: I believe those figures are already on the record; therefore it will not be necessary to repeat them.

Taking the next period in 1940 we find there was produced in the same months 237,012,992 pounds, which is a decrease of 3,057,889 pounds. Going back over the distribution in that same period in 1940, namely from January 1 to September 30, we find there was an increase in the distribution of butter over the same period in 1939 of more than 9,531,000 pounds. So that we have there a difference of over 12,000,000 pounds, and that factor has been responsible for the increase in the price of this commodity.

I would be the first to seek to curtail any movement whereby we might permit the speculator to make substantial or large profits out of any food product. However, in connection with this matter I believe we must be most careful to see that any action taken does not tend to deprive the butter producer of Canada of a reasonable or substantial price, in the light of all the circumstances affecting the situation. Because, Mr. Speaker, for the last ten years the butter producers of Canada have received a grossly inadequate price for this commodity. Therefore I would caution against undue interference along the lines suggested.

If we take one hundred pounds of milk it will produce approximately twice as many pounds of cheese as pounds of butter. So that if we take the price of cheese at seaboard, or at Montreal, as being 14·4, we find that that gives approximately 28·8 for butter fat, or for butter. However, it must be remembered that that is the summer price, when production costs are lower. It costs much more to produce butter fat in the winter time, and I do not think that 35 cents, or perhaps the odd cent more, could be considered a high or exorbitant price for butter. What I do say is that in the spring, summer and fall months it would not be in the best interests of all concerned greatly to increase the production of butter or to decrease the production of cheese, because we have an unlimited export market for cheese, and a non-existent export market for butter.

There is another point which has some bearing on this matter. The by-product in the production of butter fat, namely skim milk, is worth more than the by-product from the production of cheese, namely, whey. This brings me to a further question, namely, that of hog prices, and the bacon agreement between the Canadian government and the

food board in Great Britain. I am prepared to say that I believe this lower price offers but a small opportunity for any profit for the hog producer. However, if that is the top price the British food board is prepared to pay—and we have great sympathy for Great Britain and her financial position—then to my mind the matter is settled so far as that part of it is concerned.

I have before me a table which sets out the prices prevailing under the former agreement and those set out under the new agreement. I shall deal with only one part of these figures, and will ask the indulgence of the house to have the complete table placed on the record.

It must be understood that the British food purchasing board paid a flat price at the port for these pork products, and that these schedules of prices according to grades were worked out by the bacon board, upon which producers, packers and the government had representation. However, turning to the class of grade A-1, covering Wiltshire sides of 55 pounds to 65 pounds, we find that under the old agreement the price was $17.70. It must be remembered, however, that in the price there had to be provision for storage charges. That was the price which prevailed from January 1 until May, at which time it was reduced to $17.20, and then again on July 22 it was increased back to $17.70. I shall not detain the house by reading further figures but will turn now to the new prices. In addition, in connection with payments on the former basis, it must be remembered that 72 cents per hundred pounds was deducted and placed in a fund. I shall deal with that later in my observations.

Taking the same classification of 55 to 65 pounds, under the new agreement we find that the price for the A-1 grade is $16.10, or approximately $1.60 less.

The tables in detail, showing the comparative prices to which I referred, are as follows:

Wiltshire Price List Effective on Current Product Allotted for Cure on and after July 22, 1940

	45-55 pounds	55-65 pounds	65-70 pounds	70-80 pounds
A-1	$17.50	$17.70	$17.30	$16.30
A-2	17.10	17.30	16.90	15.90
A-3	16.70	16.90	16.50	15.50
B-1	17.10	17.30	16.90	15.90
B-2	16.30	16.50	16.10	15.10
B-3	15.50	15.70	15.30	14.30

Price List for Current Export Cuts Effective on Product Allotted for Cure on and after July 22, 1940

Cumberlands	$16.49
Hams 12/18.....	19.65
Hams 18/20.....	18.86
Hams 20/22.....	16.29
Hams, Long Cut /18.....	19.65
Hams, Long Cut 18/20.....	18.86
Gammons 12/18.....	19.85
Gammons 18/20.....	19.00
Middles A-1/36.....	18.09
Middles A-2/36.....	18.09
Middles A-3/36.....	17.20
Rib backs A-1 and A-2 10/16.....	20.45
Rib backs A-3 10/16.....	19.45
Rib backs A-1 and A-2 16/18.....	19.95
Rib backs A-3 16/18.....	18.95
Square fores 12/18.....	14.31
Square fores 18/20.....	14.00
Square fores 20/25.....	12.00

Price List for Wiltshire Sides Effective on Product put into Cure on and after November 18, 1940

	45-55 pounds	55-65 pounds	65-70 pounds	70-80 pounds
A-1	$15.90	$16.10	$15.70	$14.70
A-2	15.50	15.70	15.30	14.30
A-3	15.10	15.30	14.90	13.90
B-1	15.15	15.35	14.95	13.95
B-2	14.55	14.75	14.35	13.35
B-3	13.95	14.15	13.75	12.75

Price List for Export Cuts Effective on Product put into Cure on and after November 18, 1940

Hams 10/18.....	$16.55
Hams 18/20.....	15.80
Gammons 10/18.....	16.55
Gammons 18/20.....	15.80
Middles A-1 22/36.....	17.15
Middles A-2 22/36.....	17.15
Middles A-3 22/36.....	16.25
Rib Backs A-1 and A-2 10/16.....	18.45
Rib Backs A-3 10/16.....	17.65
Rib Backs A-1 and A-2 16/18.....	17.65
Rib Backs A-3 16/18.....	17.15
Square fores 12/18.....	12.95
Square fores 18/20.....	12.15

I should like now to deal briefly with deliveries of hogs for the past two months. The following figures will show total deliveries in Canada of graded hogs:

Date Week of—	Number of hogs
October 10	113,450
October 17	119,567
October 24	135,912
October 31	157,260
November 7	151,668
November 14	155,592
November 21	152,443

I place those figures on the record to show the substantial increase in deliveries over that period of time.

During the passing of estimates of the Department of Agriculture in the last session, and again in this debate, there has been discussion regarding the disbursement of the

fund set up by this deduction of 72 cents. During those weeks of heavy deliveries, approximately a million dollars of that fund was paid out to maintain higher prices than would otherwise have prevailed. It is usually admitted that farmers market hogs at least twice yearly. If a farmer delivered hogs in the early part of the season, the deduction would apply. If hogs were delivered in the period referred to, he would benefit from the fund.

I will not attempt to forecast what the general situation will be during the coming year, but it might be of interest to hon. members to know that from January 1, 1940, when the bacon board commenced operations, to the end of the first bacon contract, the average price at Toronto for live hogs was $8.76. During the same period the average price for hogs purchased by thirteen packers in Ontario was $11.69 dressed weight, or $8.76 live weight. During the week of November 23 the price of hogs at Toronto was $10.75 dressed weight and $8.10 live weight. This is the first week of operations under the new agreement. Certain other factors enter into this price. There is no deduction for administrative charges and the bacon board is absorbing the cost of storage, and so forth. These things would have to be balanced against the reduction in price. While I would not want to make any prediction as to what will happen, it looks as though the price of hogs during next year will average somewhere in the vicinity of eight cents. This prediction may be too high; I am not prepared to say.

There are a couple of additional items which I desire to discuss. During the course of this debate concern has been expressed as to the possibility of our democratic institutions falling into decay on account of the application of the defence of Canada regulations. There is no member in this chamber more anxious than I to protect and preserve—even widen the scope if possible—of our democratic institutions and hand them down intact to future generations. If there seems to be difficulty in a person interned under these regulations securing a fair trial within a reasonable length of time, then provision should be made to give such person that trial.

I should like to make this further suggestion. If we look back into British history to the time of Cromwell, we shall find that some of the then limited freedom in the British empire was curtailed, but still that period saw a growth and enlargement of the very system under which we now live. As far as I am concerned, if free speech means the right to criticize the war effort and the government, to offer constructive suggestions and so forth, I am all for it; but if that privilege is going to be used to undermine the morale of our people and to interfere with the successful prosecution of the war, then I say that to that extent we shall have to see that it is curtailed. If freedom of the press means criticism of the government and its war effort, violent if you like, and the urging of improvements in connection with our forces or other parts of our war effort, then I am all for it; but if it means the printing of insidious propaganda to interfere with that effort and to break down the morale of our people, then the best thing to do is to suggest to these people that they had better get into the Red Cross and do something to help it along. If they cannot be persuaded to do that, then they will have to be dealt with by some other means.

In conclusion, I should like to return for a moment to the conflict in which we are engaged and make one observation. The dictators are fighting a war of conquest and aggression while our forces are fighting a battle to preserve their national existence, which means their homes and their firesides, their wives and their families. We are putting everything we have into the conflict. Our ultimate goal is victory. The road may be long and rough and the end at times obscure, but we approach it with the attitude of mind that victory can and will be won.

Mr. L. E. CARDIFF (Huron North): Mr. Speaker, I do not think anyone doubts the sincerity of the remarks which have been made by most hon. members on both sides of the house in connection with Canada's war effort, and I hope that what I say this afternoon will be garnished with the same sincerity of purpose. My only reason for rising in my place is to offer some suggestions that may be acceptable to the government in the carrying on of our war effort. As a preface to my remarks, let me state that what I have to say is based on practical knowledge gained from a lifetime in agriculture.

In the county of Huron we have about 10,000 farms, and in addition we have a number of manufacturing establishments, an important lake harbour, a number of grain elevators and flour mills, and some of the best salt wells in Canada. We have some of the finest roads and highways in Ontario. Yet the county is free from debt and has no outstanding debentures. Few other counties in Canada can boast of such good results from a pay-as-you-go policy. I take a great deal of pride in the record of my county, because I can claim at least some credit for its present financial position.

I believe every hon. member should voice his opinion with regard to our war effort. In

doing so, perhaps the suggestions I offer for the improvement of this effort may be acceptable to the government. Having sat through one whole session and having come into the second I have arrived at the conclusion that lawyers and doctors and professional men do not possess all the brains there are in this fair land of ours. I have heard in the last few days many inspiring addresses delivered by private members on the government side, and I venture to say there are a great many more who, given the opportunity, would offer helpful and inspiring thoughts that could well be made use of in this hour of need.

The rural people realize that the present crisis calls for more sacrifice and effort; they are ready and anxious to do all in their power to forward victory. It is still too obvious that the allied governments undertook to fight this war as an economic war, and with money, while the enemy used guns and ammunition. Hitler knows no law other than brute force and destruction. Tanks, not sterling; machine guns, not foreign exchange; sabotage, not dollars, is his method. Surely we are living in a land of make-believe and sleight-of-hand from some government members when they pretend to assume in this dark hour that trade will move through normal channels and that customary surpluses in several lines of our Canadian production will find a market, thus permitting production to command fair and reasonable prices. Farmers have divorced themselves from the profit motive, and are actuated only by a determined desire to serve in the front ranks of production. Farming to-day is a business, and just as in other industries, farmers must have sufficient income to cover overhead, defray expenses, and maintain the institution.

During this war, Canadian exports will largely be confined to Great Britain, the United States and South America. The demand for shipping facilities will restrict our exports to Great Britain to a minimum. We do know from experience, however, that if this conflict proceeds, all our production of foodstuffs will be in demand, but in the meantime our warehouses are full. At present the farmers have to assume the burden of these surpluses, and carry their share of war-time taxation. At this time of emergency I contend, Mr. Speaker, that these are problems that should be faced by our federal government. Non-perishable surpluses such as wheat, beans, pork, are in my opinion as good as gold in war time. There is nothing that will put heart in a man like a full stomach, and there is nothing that will weaken the morale of any nation like starvation. We all know that armies travel on their stomachs, and so I say again, pile up surpluses of non-perishable goods and keep the people working, make the currency circulate, and back it up with gold and with the storage of non-perishable goods. Non-perishable products are as good as gold in war time, and better. Beat the enemy at his own game. Only those who accept defeat are defeated. We must never be defeated.

I often wonder just what the reaction would be in Canada if we were subjected to the conditions that exist in England. I feel sure we could take it. I hope not but we may have to take it. Just ponder that in your mind.

I submit, Mr. Speaker, now that we are giving assistance to industry for the manufacture of necessary war materials, that immediate consideration should be given to agriculture, in order that we may achieve full production, under proper guidance and with the responsibility on the government for such surpluses as may exist from time to time. Such a plan can work for agriculture in the same manner as for other industries if practical men are chosen to frame and administer the necessary legislation. Our agricultural resources, properly organized, can and will play a vital part in this nation's war effort. We as farmers wish to serve and sacrifice equally with all other people of this dominion, but we ask that politics be thrown aside and that when the government establishes committees for the administration of agricultural problems their personnel include practical farmers, men who will know whether the proposed policies and programmes are feasible. Do not forget that when you are helping agriculture you are helping every man, woman and child in Canada.

First, in regard to agriculture we need a clean-cut federal government farm programme as to what products are needed during war time. In other words, take the farmer into the department's confidence and let him know the facts so that production can be maintained on an even keel.

Second, the majority of the farmers are dissatisfied with the present set-up in regard to bacon. There has not been, nor is there now, any control over the production of bacon. That has resulted in over-expansion and has disarranged marketing. Some kind of bacon production code is needed for the farmers, and then full returns from the packers of the old country price.

Third, we need a more effective and cheaper method of selling farm machinery priced in relation to farm production.

Fourth, we should have federal supervision over health standards of animals sold at community sales. Many cattle and hog diseases

are being spread in healthy communities by outside animals brought in without inspection and sold in healthy areas.

Fifth, we must have an increased use for army purposes of Canadian apples and honey, pork and beans.

Sixth, there is the old story regarding domination of live stock marketing by a group of powerful packing house plants in Toronto, resulting in the farmers having little or no say in the marketing price of their animals. The sale of cattle and hogs direct to plants each week satisfies a large proportion of the packers' needs, which means that they are not keen to bid on lots in the union stockyards, which is supposed to be a competitive market. Marketing plants in their present set-up and yearly profits need government investigation.

Seventh, I would ask the minister why Ontario was not represented on the Canadian bacon board when Ontario produces one-half or more of the total production of hogs in Canada. Further, I would ask why the bacon producers of Canada were penalized by the government through negotiations with the United States which allowed large quantities of United States bacon to come in here to offset the fur trade of Canada. I do not think that was fair to agriculture.

Coming from a rural district, might I say that our people are willing to make any sacrifice within their power to preserve the institutions of democracy and to bear any burden of taxation imposed by the government just as long as that government by its actions and through its policies demonstrates to the people of Canada that the moneys so collected are not being wasted on people and profits as a reward for their party adherence. I could cite a few cases, but I will just warn the government that it will be they who will have to answer for some of the unnecessary appointments that they are making.

We have heard many complaints from farmer members of this house and, I am glad to say, lately from some hon. members who are not farmers, as to the way the government is allowing farmers to be imposed upon. We never did get a fair deal from any government, least of all from this one, but no one has ventured to tell the reason. To my mind the reason is a simple one. Campaign funds are much more conveniently collected in thousands of dollars than in smaller amounts, with the result that the big interests, paying larger amounts in campaign funds, look to the government for special assistance and get it. I should like to direct a few questions on this point to the government. I do not know the answers, but I should like to know. Did the sugar interests subscribe to their funds? Did the vegetable oil interests subscribe? Did the bacon interests subscribe? I could name many more. Such contributors get consideration, in many cases against the judgment of those who are in control. But those in control have no alternative; they are bought out, body and soul, before they ever start to function. I contend, Mr. Speaker, that this practice places governments in a position where they just have to do certain things, whether they want to or not. It is a system detrimental not only to the farmers of this country, but to the small industrialists who try in vain to compete and make a living.

I do feel that we as members of parliament should protest against the practice of importing into this country fruit and vegetables in ever-increasing volume, notwithstanding the restricted exportation from Canada to the United Kingdom. The war has forced the United Kingdom to restrict imports of tobacco and to stop further purchasing of Canadian canned fruits, vegetables and soups. Why should we not act in a similar way to protect our farmers? We shall be forced to promote a larger consumption at home to take care of the surplus created through the restriction of exports. I might go on to give the figures showing the increased imports from the United States, but I do not think this is necessary, because the figures have been submitted to the government; they already have the information. I wish only to place myself on record as registering my protest on behalf of the vegetable and fruit growers of Canada.

At this late hour I can only reiterate what a great many other hon. members have asked, that free transportation be granted our enlisted men who are on official leave for the last time, and I believe it would not be asking too much to recommend free transportation for Christmas leave as well. Surely our soldiers deserve this consideration. I would like to impress upon the minister the importance of this request.

The Minister of Agriculture (Mr. Gardiner), during his address on November 14, as reported at pages 108 and 109 of *Hansard*, referring to unemployment, stated that there was unemployment for practically all the defeated candidates of the opposition side of the house. May I remind the hon. gentleman that such was not the case so far as the defeated members on the government side were concerned. We find some of them being placed in very unnecessary jobs at large salaries. Why should so much money be spent in advertising the war effort of this

government? If their efforts were one hundred per cent genuine, it would not require government heelers to advertise its programme. God forbid that we should have government heelers to contend with, on top of our all too heavy war responsibility.

We appreciate the efforts of the minister of Trade and Commerce (Mr. MacKinnon) in this government. From a personal standpoint he has, perhaps, done all that any one individual could do; I believe he is very sincere, but it is not enough. What we as agriculturists need is as much protection as other industries get, and surely we deserve it. The Prime Minister in his address talked about steel. True, "we need steel", we cannot get along without it, but is there any hon. member who would put forth the argument that steel is more important than food in winning the war? Long after the need for steel has declined, food will be in constant demand.

There is another line of thought which I wish to develop at this time. It has to do with our war effort so far as the distribution of grain, coal and gasoline is concerned, which is a vital matter, to my mind, in war time. We have a condition in Goderich harbour that I would like to draw to the attention of the Minister of Public Works (Mr. Cardin), in regard to the surgings of vessels in the harbour under stress of wind and disturbance.

Last winter there were fifteen Canadian grain carriers wintering in the harbour. I have a record stating the surgings of these vessels which were under observation for two days when a northwest and west wind was blowing strong. There were other vessels lying loaded at the Western Canada Flour Mills wharf which are not included in this survey. Several storms occurred while these boats were in process of laying up for the winter. The first was a very strong gale starting in the southwest and shifting to northwest and north.

On December 7 and 8, when several vessels sustained broken cable moorings, bits and shocks, and otherwise bumped themselves along the wharves, there was no knowledge of any of the other vessels having come in contact with the harbour bottom. Again, on December 21 and 22, a northwest and westerly gale produced a great surge in the harbour with similar damaging results to steamship moorings. These storms, while altering from normal to intense velocity, did not seem to be worse than those experienced in previous years, but the harbour surging was apparently greater, which could only be attributable to a great flow of water to the entrance from the breakwater to the pier mouth, and thence to the inner harbour. It may be reasonable to assume that, with the deepening of the entry channel to approximately 26 feet, much greater volume of seas will roll through, especially during westerly and southwesterly gales, and this flow, walled off to a great extent by the shoaling on the north side, accelerates the volume of seas towards the harbour.

It has been suggested that the area behind the northwesterly breakwater be sloped down to permit the surge to roll up and expend itself on this shoaled area rather than be abruptly buffeted below, or the upper portion of seas spilled back into the walled channel. Then, too, we have considered where and to what length could be located an additional or extended break-wall to break up and divert the seas before they reach the entrance to the channel; and to this end, Captain Robinson, a mariner of much experience in handling large vessels into various ports, has made a sketch which I have here for inspection. I hope that the government will take the necessary steps to have this entrance to Goderich harbour taken care of at the earliest possible day, as we would not like a recurrence of this condition.

The minister must be impressed, I am sure, of the value of Goderich as a national port to the grain trade of Canada in the movement of Canadian western and American grains from the point of origination to the milling, feeding and exporting outlets in Ontario and eastern distributing points. May I briefly show you that the following quantities of grain have passed through our elevators from 1929 to 1939. I do not wish to take the time of the house to read the figures, but I have a copy, and I ask that it may be put on *Hansard*:

Year	Bushels
1929	8,891,486
1930	6,388,875
1931	7,526,388
1932	4,346,086
1933	6,919,283
1934	5,985,025
1935	5,805,585
1936	7,539,130
1937	4,883,586
1938	10,673,841
1939	10,881,490

To this must be added an approximate 2,500,000 bushels per year which is received by the Western Canada Flour Mills in Goderich. You will notice the years between 1930 and 1937 were lean years; there was not the volume of grain that there was in 1938 and 1939. Additional to grain is the freightage of coal, gasoline coming in, some interior accumulations of products outward bound, all

of which is water-moved tonnage. A careful computation of the revenue to the Canadian railways and Department of National Revenue, shows that the eleven-year period at Goderich produced revenue as follows:

Canadian National Railways....	$4,900,000
Canadian Pacific Railway.....	4,400,000
Customs revenue—coal and grain passed on last year, 1939, the only record available.....	874,279
Total revenue.....	$10,174,279

Thus you will appreciate that the dependable revenue afforded through our ports warrants requisite attention to developments, maintenance and safeguarding of the facilities which will provide safe and prompt access to Goderich harbour for any fully-loaded steamer under all weather conditions. I trust the minister will give these imperative requirements merited attention.

There are many thousands of Canadian women who, although outside the public eye, perform vital war duties in their homes, maintaining the health of the rising generation and assisting Canada's internal economy in their daily purchases, devoting their spare time to the corporate work of groups and organizations. I believe we have come to the time when these women's groups will have to be initiated into industry, and in my opinion the sooner the better. It might save considerable confusion if the time ever came when a good many of our industrialists were taken away from their jobs and sent overseas.

I would like to conclude my remarks with an extract from a speech I made during the course of the election campaign, as follows:

> Our primary duty as farmers is to the empire. Our brother agriculturists in Great Britain are desperately fighting for freedom's cause. They have left their fields and farms to be tended by the women of the nation. No sacrifice we can make for them is too great. We here hardly realize there is a war, but the time will come when Great Britain and her allies will need the products from our farms and fields. It becomes our duty not to think in terms of profit, gains or barter, but to stand shoulder to shoulder behind the cause and behind our men who are offering their all.

This was spoken several months ago and our people have risen nobly to the emergency. Our county has voted $27,000 for war purposes. They also purchased an airport site for over $10,000 as a county project and have since leased it to the government at a dollar a year. That is all that we have got out of it. It is not like the dollar-a-year men advertised around here in the last few days. Another $10,000 has been given to the Red Cross Society, and $7,000 has been set aside for patriotic purposes. More can be had if it is needed. Such is the spirit of our people in Huron, such is the spirit of Canada, such is the spirit of the empire; and with God's will we shall win for democracy.

[Mr. Cardiff.]

On motion of Mr. McLarty the debate was adjourned.

BUSINESS OF THE HOUSE

INQUIRY AS TO TABLING OF AGREEMENT WITH BRITISH GOVERNMENT RESPECTING BACON

Hon. R. B. HANSON (Leader of the Opposition): May I ask the right hon. gentleman who is leading the house (Mr. Lapointe) to ask his colleague the Minister of Agriculture (Mr. Gardiner) if he would be good enough to table the bacon agreements, in pursuance of his undertaking of Thursday, November 14—page 101 of *Hansard*. We think these agreements ought to be tabled before this debate is concluded. While he is about it, will he be good enough to ask his colleague to table last year's bacon agreements, which have never been tabled.

Mr. LAPOINTE (Quebec East): I shall be pleased to convey my hon. friend's request to the minister.

On motion of Mr. Lapointe (Quebec East) the house adjourned at 5.48 p.m.

Thursday, November 28, 1940.

The house met at three o'clock.

STANDING COMMITTEES

ALBERTA PROVINCIAL BANK—STANDING ORDERS—MOTION FOR CONCURRENCE IN FIRST REPORT

Mr. W. H. GOLDING (Huron-Perth) presented the first report of the standing committee on standing orders, recommending that the proceedings taken last session in respect of the presentation of petition, the filing of draft bill, and the publication of notice relative to the proposed incorporation of the Alberta Provincial Bank, be accepted as sufficient for the present session; and moved that the report be concurred in.

Hon. R. B. HANSON (Leader of the Opposition): I am not sure that I understand precisely the meaning of this report as it was read. Would it do any harm to have this motion stand until to-morrow?

Mr. MACKENZIE KING: No.

Motion stands.

PRINTING—CHANGE IN PERSONNEL

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

That the name of Mr. Dupuis be substituted for that of Mr. Cloutier on the joint standing committee on printing.

Motion agreed to.

MIGRATORY BIRDS

PROPOSED CHANGE IN OPEN SEASON ON DUCKS, GEESE AND SNIPE IN THE YUKON TERRITORY

Mr. GEORGE BLACK (Yukon) moved for leave to introduce Bill No. 5, to amend the Migratory Birds Convention Act.

He said: This bill consists of a short amendment to the Migratory Birds Convention Act. Under the act as it stands, the closed season on the migratory birds mentioned in the amendment is in force until September 1. It is proposed to have the open season commence on August 15.

These migratory birds, such as ducks, geese and snipe, begin to migrate from the Yukon around the first of August and are practically all gone by September 1. The result of the present provision is that the sportsmen of the Yukon are practically prohibited from shooting these birds.

Motion agreed to and bill read the first time.

THE WAR

REQUEST FOR STATEMENT AS TO PRESENT POSITION

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, in my view, in the view of many hon. members of this house, and I feel quite certain in the view of many people in Canada, the war situation in Europe is more serious to-day than at any time since the fall of France. The virtual destruction of the cities of Birmingham, Bristol and Southampton, the loss of shipping as evidenced by press reports, and in particular the utterances of the Marquess of Lothian, his majesty's representative in the United States, particularly with respect to finance, indicate the seriousness of the position. Therefore in my view the Prime Minister should make a statement to the house and the country, if not to-day then not later than to-morrow, and tell the country just what the exact position is; because it will be understood that he has access to information which we have not. Let him tell the house and the country how serious the position is or, if we are wrong in our views, how good the position is; and especially I would request him to indicate what further, if anything, Canada can do at this juncture towards aid and assistance, whether it be in men, materials, supplies or equipment.

I am very serious about this, Mr. Speaker, and I ask the Prime Minister to give consideration to it. I do not expect him to make an immediate response, but I do feel that the situation to-day in the theatre of war over there is just as serious as it was at the time of the fall of France, and we are all very uneasy about it. I do not wish to be taken as an alarmist. The situation may not be as bad as I feel it is, but at any rate a statement from the Prime Minister would have a quieting effect upon the people at this time.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I would say to my hon. friend that I have had in mind making a statement to the house before adjournment with respect to the situation. I should like to have a little time to think over what it would be best to say. I agree with my hon. friend in his view that the situation is a serious one. I think anyone reading the press would gather that opinion. I would also say that such information as the government itself is receiving the press would appear to be reflecting accurately. Any statement that I may have to make will be practically in accord with what has already appeared in the press.

I may have something to say to-morrow about further proceedings before we adjourn.

BUSINESS OF THE HOUSE

STATEMENTS RESPECTING ADJOURNMENT TO FEBRUARY 17—DOMINION-PROVINCIAL RELATIONS CONFERENCE

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): The Prime Minister has just referred to the adjournment. He has given notice to the house that when we do adjourn it shall be until the 17th of February. I would like to suggest to the Prime Minister that in my view that is too long. The Prime Minister knows the commitments of the government much better than I or the country can know, and having regard to the fact that the dominion-provincial conference is to be held beginning at a date about the middle of January, it may be necessary to take that long adjournment. But may I suggest to the Prime Minister and the members of his administration that we do not adjourn definitely to the 17th of February but rather that we follow the formula which was incorporated in the resolution of August 3 last.

Mr. POULIOT: Mr. Speaker, I rise to a point of order. We are now on the orders of the day and I do not see why the leader of the opposition (Mr. Hanson) should be per-

mitted to make statements to the government at this time. There will be another opportunity for him to do so, and I am sick of listening to his sermons. I would ask the whip of the Conservative party to keep quiet. I am sick of these little sermons by the leader of the opposition at the beginning of each sitting. He has to give a lecture or make suggestions to the government all the time. He is at liberty the same as any other hon. member to ask questions of the government on the orders of the day, but to make suggestions is an entirely different matter, and I ask, Mr. Speaker, that he be made to conform to the rules.

Some hon. MEMBERS: Order.

Mr. POULIOT: I am not afraid of the howling or the groans.

Mr. HANSON (York-Sunbury): After that little interlude, may I be permitted with the consent of the house to complete briefly what I had to say?

Mr. POULIOT: The hon. member has not unanimous consent. I object.

Mr. HANSON (York-Sunbury): I was indicating that I think it would be desirable that when we adjourn—

Mr. POULIOT: Sit down, please, I ask for your ruling on the point of order, Mr. Speaker.

Mr. SPEAKER: I gather that it is the sense of the house that these statements should be made by the leader of the opposition. He is dealing with a subject which is in the minds of all members of the house, and while I would not say he is strictly in order, yet I feel it is the sense of the house that he should make these statements and that the Prime Minister should reply to them if he thinks proper.

Mr. HANSON (York-Sunbury): I shall not take much more of the time of the house to finish what I have to say, and I hope I shall not offend the sensibilities of any member, least of all the member for Temiscouata (Mr. Pouliot). I was going to suggest to the Prime Minister that he adopt the formula of August 3 last, which would I think be satisfactory to all.

Right Hon. W. L. MACKENZIE KING (Prime Minister): May I say to my hon. friend that if he will look at the *Votes* and *Proceedings* of yesterday he will see that I have already done what he has suggested. I had my motion amended so as to read:

That when this house adjourns immediately after the conclusion of the debate on the address in reply to the speech from the throne, it stand adjourned until Monday, February 17, 1941, at 3 o'clock, p.m., provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with his majesty's government, that the public interest requires that the house should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the house shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time.

[Mr. Pouliot.]

Mr. HANSON (York-Sunbury): I am corrected; I was not up to date. I predicated what I said on the previous notice of motion, and I am glad to see that the Prime Minister has anticipated my suggestion.

Mr. MACKENZIE KING: I had intended when the motion came before the house to give hon. members the reasons for fixing as I did the 17th of February as the date for reconvening. It may perhaps not be out of place if I say just a word at the moment because in the minds of some there may appear to be reason for believing that the government is unduly delaying the time of reconvening.

I would point out first of all that two or three ministers will be absent from Canada during the month of December. The Minister of National Defence (Mr. Ralston) will be in Britain throughout the month of December. The Minister of Munitions and Supply (Mr. Howe) also will be going to England for the purpose of conferences with the British government. I assume it will be some time in January before he will be able to be back in Ottawa.

The conferences that will be held in London by the Minister of National Defence and the Minister of Munitions and Supply with different members of the British government will be important conferences, and legislation which may be introduced later, certainly the appropriation bill and the estimates, will in some measure be based upon the information obtained at that time.

I would also remind the house that the Christmas and New Year recess comes within the period of adjournment. That is a time when it is usually difficult to have all members of the cabinet together to discuss important matters. After continuous sittings that have lasted only a month there will be many matters held over pending adjournment which will require the special attention of ministers and of the cabinet before the ministers disperse even for a day or two at the Christmas season.

With respect to the conference with the provinces, the government has had to take into account and naturally would wish to consult the convenience of the different provinces, and the date fixed for the conference, the middle of January, was the earliest

that could be arranged having in mind the views expressed by some of the provinces as to a date that would be convenient to them.

I cannot say how long the conference will last, but it may be advisable not to try to conclude its proceedings too hurriedly, but rather to allow plenty of time in order that some phases at least of the report may receive detailed consideration, if there is not time for consideration of all phases. I should think that the government would be wise in keeping the last fortnight of January pretty largely for matters pertaining to the dominion-provincial conference.

That leaves the month of February. It is true that I fixed the 17th as the date, but the 17th is a Monday. If we were calling a new session it would be called to meet on the Thursday, which would be the 13th. A fortnight will leave the government little enough time to confer after the conference with regard to the many matters that we wish to conclude before parliament reassembles and to bring before the house when it meets. Experience has taught me that it is better to have an extra week by way of preparation than to assemble at an earlier date and be running a little bit behind all the way with proceedings thereafter. I have tried to shape matters in a way that I thought would both before and after parliament reassembles best suit the convenience of members as a whole.

I might say that I gave notice when I did as to the probable time of reassembling because many members had inquired of me how long it would be after the conference before parliament would be reassembling. I thought that the sooner members generally could be advised as to the date, the better it would suit their convenience. I would also remind hon. members that we are not yet through this portion of the session. We have not reached the end of the debate on the address, and there are one or two matters, of which I shall have a word or two to say to-morrow, which will require further time and attention on the part of hon. members.

Mr. HANSON (York-Sunbury): At this time?

Mr. MACKENZIE KING: At this time, yes. For these reasons it seems to me that the date which has been fixed, everything considered, will be found eventually to serve best the convenience of the house, as well as to meet the obligations of the ministry while in particular the resolution as drafted will meet the views of both my hon. friend and myself as to the procedure which should be followed.

DEFENCE OF CANADA REGULATIONS

REFERENCE TO SPECIAL COMMITTEE OF LAWS RESPECTING NATURALIZATION AND DEPORTATION

On the orders of the day:

Mr. H. C. GREEN (Vancouver South): A day or two ago the Minister of Justice (Mr. Lapointe) stated in the house that a special committee would be set up again this year to consider the defence of Canada regulations. That action is taken, I believe, as a result of a recommendation made by the committee which considered the same subject in the last session. But the special committee which sat last summer also recommended that the laws relating to naturalization and deportation should be considered by a special committee if one were set up at this present session. I should like to know whether it is the intention of the government to refer those two subjects also to a special committee.

Right Hon. ERNEST LAPOINTE (Minister of Justice): As my hon. friend knows, matters concerning naturalization come under the Secretary of State (Mr. Casgrain), and matters concerning deportation are under the immigration branch of the Department of Mines and Resources. But I have communicated with my colleagues the Secretary of State and the Minister of Mines and Resources (Mr. Crerar), and I am authorized to tell my hon. friend that when a motion is made for the appointment of that committee, the reference will include the two matters he has just referred to, in accordance with the wish of that committee as expressed in its report.

TRAFFIC CONTROL

PROVISION FOR SAFETY OF PEDESTRIANS CROSSING ROADWAYS IN FRONT OF PARLIAMENT BUILDINGS

On the orders of the day:

Hon. P. J. A. CARDIN (Minister of Public Works): The day before yesterday the leader of the opposition (Mr. Hanson) referred to the control of traffic around the parliament buildings, and complained about careless driving on the part of some people along the esplanade in front of the buildings. The control of traffic around these buildings is under the Royal Canadian Mounted Police as a result of an order in council which has been passed. I do not see that any serious reflection can be made on the manner in which the mounted police carry on their duty. It may be that certain people are not ready to obey the orders and that the constables are not there to watch them when they disobey the law.

At all events the matter was taken up with the mounted police, and, as a result of the representation and discussion that took place, one additional constable has been appointed in order to watch more closely the traffic around the parliament buildings.

Mr. HANSON (York-Sunbury): Thank you.

ST. LAWRENCE WATERWAY

QUESTION AS TO MEMORANDUM BY DOCTOR HOGG SUPPORTING A SINGLE-STAGE DEVELOPMENT

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend the member for Grenville-Dundas (Mr. Casselman) asked me yesterday if I could ascertain whether there was a document signed by Doctor Hogg which was in the nature of a memorandum with respect to a single-stage development of the international rapids section of the St. Lawrence. I am informed that there is no such document in the department. This morning one of the members of the staff communicated with Doctor Hogg, and he mentioned that there is no such document on his part anywhere.

I might add, however, that it is a fact, as was intimated in the press notice which was published in all Canadian papers on January 25 of this year, that the engineering advisers of the two governments are prepared to recommend a controlled single-stage scheme which differs in some respects from both the single-stage and the double-stage schemes which were chiefly discussed some years ago.

NATIONAL DEFENCE

HOLIDAY LEAVE AND TRANSPORTATION FOR SOLDIERS UNDERGOING TRAINING

Mr. NORMAN J. M. LOCKHART (Lincoln): In pursuance of my own question, and in view of inquiries I have received from anxious parents who, as Christmas is less than a month away, anticipate sending extensive Christmas gifts to their soldier sons if these soldiers are not to be allowed to come home, may I ask whether the government can give some intimation now as to whether these men will be allowed to return home, as has been suggested in this house, under a more liberal provision with respect to transportation? I have received four or five inquiries in the matter.

Hon. C. G. POWER (Associate Minister of National Defence and Minister of National Defence for Air): The Minister of National Defence (Mr. Ralston) has stated on several occasions the policy with respect to Christmas leave. Christmas leave will be granted for a period of six days. I am not familiar with the details. With respect to free transportation, it is not the intention of the department to provide free transportation during Christmas leave.

Perhaps some confusion may arise on account of the dual role which I am now endeavouring to fill. My statement that arrangements have been made for leave of six days' duration applies to the army. So far as the air force is concerned we are making no special arrangements whatsoever for leave. The men have to get on with their training.

DAYLIGHT SAVING TIME

INCONVENIENCE AS AFFECTING RAILWAY TRAIN SCHEDULES

On the orders of the day:

Mr. NORMAN J. M. LOCKHART (Lincoln): A communication I have received, the substance of which I believe is concurred in in other urban centres, intimates that the continuation of daylight saving is causing some inconvenience as regards train times in the cities. Can the government say whether or not the present arrangement is to be discontinued?

Hon. C. D. HOWE (Minister of Munitions and Supply): It is not the intention of the government to discontinue the present regulation affecting daylight saving time. It was put in force as a very important means of saving electric power. As a matter of fact it is accomplishing a saving of about 190,000 horse-power, which represents a considerable number of man-hours and a considerable productive capacity for the war industries. It is felt that the public, while somewhat inconvenienced by the change, will be willing to make the slight sacrifice involved in order to make this power available to our war effort.

Mr. LOCKHART: In the light of the statement made by the minister and the apparent value of the present arrangement, could we not make it general all over Canada and have train schedules revised accordingly?

Mr. HOWE: The purpose for which the measure was passed would not be further served by extending the area. In view of the fact that my hon. friend prefaced his first question by saying that the public were greatly inconvenienced, I see no purpose in further inconveniencing the public without some definite gain to the war effort.

Mr. LOCKHART: A revised railway schedule would perhaps solve the difficulty.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO PROBABLE DATE OF PUTTING ACT INTO FORCE

On the orders of the day:

Mr. R. H. McGREGOR (York East): Could the Minister of Labour (Mr. McLarty) give us any idea as to when unemployment insurance will be put into effect?

Hon. N. A. McLARTY (Minister of Labour): I cannot give any definite date. The commission is working on the regulations, the transfer of employment offices, and various other matters necessarily incident to the introduction. But at the present time I am unable to advise as to the definite date on which contributions will be required.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Wednesday, November 27, consideraion of the motion of Mr. Brooke Claxton for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Hanson (York-Sunbury) and the amendment to the amendment of Mr. Blackmore.

Hon. N. A. McLARTY (Minister of Labour): Mr. Speaker, I believe I shall best meet the wishes of this house if in the statement which I am going to give this afternoon I refrain from dealing with all aspects of the labour situation, but deal only with those that are definitely related to our war effort.

The importance of the part which labour plays in production of war materials and equipment in a mechanized war was so well expressed by the Minister of Munitions and Supply (Mr. Howe) in this house a week ago that it is unnecessary for me to repeat it. He pointed out the accelerated tempo of productive activity now existing in this country, and explained that that tempo will increase until, in the period which he estimated at eight months, the maximum of our productive activity will have been attained. The point at which that maximum is so attained and the limitations by which it is restricted will doubtless be determined largely by the availability of labour. For that reason the problem of labour supply is a vital factor in our war achievement.

It will, of course, be recognized that there are necessarily limitations to the productive capacity of any country comprising twelve million people, but within that maximum limitation it is our duty to ensure the very greatest possible production and to develop our man-power capacity to the maximum degree of efficiency. This war imposes that definite imperative. It should, too, be borne in mind and appreciated that when we reach that high point in our production so envisaged we would be producing as much, per capita, as any other country in the world.

I know that it is unnecessary to deal with many matters which are as well understood and appreciated by members of this house as by myself. It is needless, for instance, to deal with the matter of the various problems which must arise from turning our country from a peace to a war basis and developing the economic participation which war necessarily entails.

In addition, I do not have to remind this house that prior to the war we were emerging from the world's greatest depression, accompanied by the unfortunate incidence which such a depression brings, not alone on the efficiency of labour generally but peculiarly upon skilled labour as well.

Labour in general in depression times loses some of its skill; it has not the same incentive; it becomes blunt; and in addition many of our highly skilled workers returned to the United Kingdom where they felt a wider field of opportunity was open to the particular skill which they enjoyed.

Nor will I deal to-day with a strange phenomenon, namely, that notwithstanding the increased industrial activity there are still, according to the latest available figures, 52,500 employables receiving unemployment aid, to which figure must be added those unemployed who are not in receipt of relief. The degree of employability of those employables receiving unemployment aid must be seriously questioned, but notwithstanding that the paradox exists.

A similar situation exists in the United Kingdom, and the paradox has been referred to by Sir William Beveridge, chairman of the advisory committee on unemployment insurance, and explained in the following words:

> The explanation of this paradox of mass overwork and mass idleness in war time is not far to seek. War, while it abolishes some types of peace-time unemployment, such as that due to cyclical depression, enormously increases another type. This is the qualitative unemployment due to the labour demanded being of one kind while the supply available is of another kind. War adds a new type of unemployment which may be described as bottle-neck unemployment, arising from the fact that the demand for labour is never a demand for labour alone, but for labour in conjunction with particular machines and particular raw materials.

This statement of Sir William Beveridge, too, explains the circumstance that in June of this year there were in Great Britain, when the maximum of war effort was admittedly being put forth, 800,000 unemployed registered.

This paradox of unwilling idleness of many citizens in the midst of the great demands in war is surprising, but it is a definite fact. Bad in itself as a waste of strength, it is even worse psychologically, as suggesting to those who are being urged to additional efforts and sacrifices that these cannot really be required.

But the cure of unemployment in war is not as easy as the statement that it exists. It raises technical problems of great complexity; it involves necessarily the intimate cooperation of service and supply departments and the ministry of war services and of the ministry of labour and of the educational authorities; the organization of man-power is in the last resort a replanning and reorganizing of our whole production. The state is compelled to exert a dynamic control in the interests of the community and with the supreme object of maximum production of war requirements.

The fact, therefore, that we still have unemployed in Canada does not mean that we can face the future with complacency. Our margin of reserve of skilled and semi-skilled labour is growing steadily less; and our returns of unemployment among members of trade unions show that in this class there exists the lowest unemployment figure in many years; it stands to-day at 4·4 per cent. In addition, unemployed registered at employment offices and suitable for employment in industrial war work has gradually decreased from a total of 25,500 on July 15 to 19,443 on October 15.

Taking the skilled trades alone, we find that during the same period the number of those available decreased from 11,767 to 6,345, a decrease of nearly 50 per cent. In the metal trades alone in this larger group we find a decrease from a total of 6,361 available in July to 2,950 available in October, a decline of nearly 55 per cent in this important available labour supply for industry.

I do not suggest that there is existing at present a general shortage of labour. There is not. But I do suggest there are certain specialized branches of labour in which this shortage to-day exists and which, unless adequate measures are taken to deal with its growth, will produce a situation and create a condition which will be extremely difficult to meet.

[Mr. McLarty.]

Having endeavoured to paint a reasonably fair and accurate picture of the situation as it affects labour supply, there are only two observations I desire to make:

1. While the shortage of labour generally is not yet acute, a shortage of tool and die makers and mechanics generally is imminent, if not already at hand in some occupations.

2. In the second place I would point out that two methods are being followed to ensure the maximum use of available labour and the training of additional skilled labour: the first is by governmental action; the second is by industry itself.

Referring to the first, governmental action, it will not be necessary in this connection to deal with the circumstances existing prior to the last session of parliament. For this reason I will not discuss the work of the dominion-provincial conference which was held shortly after the outbreak of war, the purpose of which was to secure an effective registration of skilled and semi-skilled labour available to our war industries. This resulted in a list of over 30,000 of our citizens being prepared, and this list has been kept up to date and is at present available.

Nor is it necessary for me to deal with the supply of professional technicians, a canvass of which was originally initiated by the Department of National Defence, and was undertaken by the Engineering Institute of Canada, the Canadian Institute of Chemistry, the Canadian Institute of Mining and Metallurgy, and various other professional institutes. The result of the canvass so made by these societies was later made available to the government through the work which was undertaken by Doctor Tory, and thereby over 15,000 names were made available in the technical section and afforded a reservoir of the highest skill in this highly important branch of war industry. Over 2,500 of these technicians have been referred to employers in answer to requests, and many more of them have been utilized in positions where their ability and training will be used to the best advantage.

The general problem of labour supply resolves itself into three parts:

1. What has been done.
2. What is being done.
3. What it is proposed to do.

I would first like to tell the house what this government has done in connection with the basic training and development of expert labour during this war.

Through an expansion and redirection of the youth training programme and through

the use of funds voted by parliament for that particular programme, and drawing upon the war appropriation, the energies and work of this branch of the Labour department were all developed to the end of promoting our war work from the outset. During this past summer every one of the sixty-four technical schools in Canada possessing the required equipment and the necessary instructors was utilized for the purpose of promoting the training in war work of the young people of this country.

To-day our annual rate of training is in excess of 26,000 trainees per year, and this number is being constantly augmented and increased.

In the four months' training, which is the average time afforded, young men of this country are being given an education which will form the basis of the technical work which they are called upon to perform. The training so provided comes under two main categories:

1. The training which is being done in the aircraft mechanics' course for entry into the Royal Canadian Air Force will develop 6,000 trainees per year at the present rate of training.

2. The training for work in the war industries will produce an additional 24,000 basically trained workers per year.

We are, of course, hopeful of exceeding this objective, and every effort is being made I believe to bring this about.

This programme has been and is being carried out by the Department of Labour in cooperation with the various provincial governments in Canada. And might I here pay a tribute to the provincial governments for the wholehearted and loyal cooperation which they have afforded in connection with this work. It has, of course, been necessary for the dominion to increase its contribution to the carrying out of this programme.

It has, for example, given to the province concerned an additional $100 for each trainee who has completed the course in the air mechanics' class and who has been accepted by the Royal Canadian Air Force. It has been necessary also for the dominion government to absorb a substantial amount of the expense involved in the use of the vocational schools throughout Canada. But I believe that without exception the provincial governments have cooperated wholeheartedly in connection with both the air training classes and the general training of workers who will take their place in our war industries.

May I make one further remark? There are, I am advised, some of these young men who have taken these courses and who are prepared to enter into industrial employment but are reluctant to do so because they feel that their primary duty is to join the active fighting forces of Canada on the land, on the sea and in the air. This should not necessarily be so. No inferiority complex should be created. The young man who devotes himself to industry, who endeavours to promote productive activity, who works at making bullets, is as vital and as essential as the man who fires them.

A few nights ago in the course of this debate the hon. member for Rosedale (Mr. Jackman) suggested that of these trainees there were approximately 25 per cent who were not placed in productive employment. Naturally his information would be based upon a certain definite time. This is a continuous thing, Mr. Speaker, and if his information were based on a certain time he might well be correct. But that is not the situation to-day. Of those who were in the summer training in our vocational schools—and I would like to make it clear to the house that that training is not limited to the summer but is going on and increasing to-day—over ninety per cent have been placed in productive activity. There are certain trainees who were trained in what might not be regarded as highly industrialized areas. It has been necessary, and this government is paying the transportation expense to take those men from those areas which are not highly industrialized and place them in industries where they are most badly needed. And the suggestion has been definitely made to me that within the space of two weeks practically one hundred per cent of the men who have received that training will be definitely in the employment of industry.

There is too, sir, a second and very vital consideration, and that is to the extent to which industry itself has been willing to undertake and participate in the training of men for war-time industry. The duty of industry in respect of this important work was emphasized some months ago. Speaking in this house on June 17 last I pointed out that while the government might do its share in the basic training of skilled mechanics, the primary responsibility in regard to this accelerated training rested upon the shoulders of industry itself.

A canvass has been made of industry by the national labour supply council to determine the number of additional employees which will be required in carrying out the war work and the number of men which each industry is training for this purpose. While the number being trained is somewhat disappointing, there

is definite evidence that industry is now co-operating both with the vocational schools and in providing the necessary training in their own plants. I am confident that with this co-operation the training of workers will greatly increase during the next few months.

In addition the government has appointed and is appointing officials whose duty it is to facilitate cooperation between employers and the trainees in vocational schools, as well as to promote and increase the training being given in essential industrial plants. The work in this regard is being increased as rapidly as circumstances permit.

Might I give an instance, a rather interesting one, of an experiment which was carried on by one industry which is engaged in shipbuilding in the maritime provinces. A little time ago they placed an advertisement in fifteen newspapers, spread from Winnipeg to Calgary. They advertised for mechanics skilled in the manufacture of ships. The result of the advertisement was that they had applications from 227 skilled men. They selected from that number those which they required. The advice which I have received from the president of that company indicates that most of those men, who received their training in the old country, are highly skilled mechanics, I believe in the highest class of shipbuilding work, namely platers. In addition, while they are not foremen in the plants, each of these men selected is capable of training from ten to fifteen other men in the less skilled work, thereby carrying into effect a plan which will be essential if we are to keep a labour supply for our war industries. That is an example of an industry, on its own initiative, undertaking to train the necessary measure of skilled labour it requires. I believe the example might well be followed by a great many other industries in Canada; and while perhaps it is not being followed along the same line I am convinced that every war industry is endeavouring in some way to increase the volume of skilled labour available for employment.

On June 19 last the government appointed the national labour supply council, equally representative of labour and industry. That council has as its chairman Mr. Arthur J. Hills of Montreal. There are five representatives of labour and five of industry, and an equal number from each of alternate members.

This council has been extremely helpful. I have already referred to the canvass of industries which it has made to determine future labour requirements and the training being afforded by each industry. It has, too, prepared a list of reserved occupations; and has been of assistance in maintaining in industry those workmen whose importance in industrial work is greater than it would be in the military forces. It has in addition promoted a greater mutual understanding between labour and industry.

In addition it was this council which recommended to the government that the matter of labour supply was not one with which a particular department alone was concerned, but that it required the cooperation of a number of departments. For that reason a committee of labour coordination was set up under the chairmanship of Doctor Bryce Stewart, deputy minister of labour. The other members are:

Doctor W. A. Mackintosh—Department of Finance; Colonel George S. Currie—Department of National Defence; Major-General L. R. LaFlèche—Department of National War Services; Mr. R. J. Waterous, K.C.—Department of National War Services; Mr. H. B. Chase—Department of Munitions and Supply; Mr. Arthur J. Hills—Chairman, National Labour Supply Council.

Mr. JACKMAN: If a list of reserved occupations has been set up, is it the intention of the government to honour that list?

Mr. McLARTY: That matter, Mr. Speaker, is receiving definite attention by the committee the personnel of which I just mentioned. No doubt what action will be taken by the government will depend on certain factors. It must be remembered, for example, that in the army itself nearly forty per cent of the men have to be skilled mechanics, because of the nature of present day mechanized warfare, and I have no doubt that a fair balance will have to be maintained between those drafted into the army and those left with industry.

The duties and responsibilities of this committee are of extreme importance. It has for its general objective the determination of labour required, especially in skilled occupations, for the war effort, and the devising of ways and means of meeting these requirements. In the determination of these labour requirements, the demand from three main sources must be satisfied: the recruiting services, government agencies giving civilian employment, and firms working on government contracts. I might deal with these individually.

1. The demand from the recruiting services, such as defence, the naval and air services, will be enlisting men. The total number of men to be enlisted during the next six months' period, the skilled occupations necessarily included and the number of men in each is being ascertained.

2. The demand from government agencies giving civilian employment. Men will be taken on for work in the arsenals, shipyards, the construction of airports, and other direct employment under the government. The total number and the requirements in the skilled trades for the next six months is made available to the committee by the departments concerned.

3. The third demand, namely from government contractors and sub-contractors, is no doubt the greatest of the three. The matter of enticing of skilled labour by employers, which, if allowed to continue, would have produced a chaotic situation in industry, has already been dealt with by order in council on the recommendation of the committee. The labour needs, more especially for skilled workers, of all firms on government contracts are being ascertained and placed before the committee. These returns give the skilled occupations and the numbers required in each for the next six months or until present commitments are completed.

The data thus secured will give the committee some measurement of skilled labour requirements at present and for some months ahead and will indicate in what occupations and locations the labour is needed. This information is being supplemented by reports from all departments of government concerned. As soon as the enlistment of a quota of men, or a new governmental project or a new contract, is decided upon, the committee is to be advised so that the necessary labour may be determined and measures to secure it considered before the project is launched.

In addition this committee is engaged in the determination of the present labour reserve; and various possible sources of labour are being canvassed to learn the number and location of required workers available.

This is being done through the following channels:

1. Through trade unions. The unions which have members in the occupations required are being asked to furnish the committee with lists of unemployed or partially employed members or members working in non-essential industries, or men with required skills now employed in other occupations.

2. Through the use of the provincial employment offices. The cards of the active files in the employment offices are being examined to discover applicants in the required occupations or in allied occupations, and the result of this survey is available to the committee.

3. The same procedure as has been adopted in connection with the employment offices will be followed in connection with the national registration cards as and when they become available.

4. The approximate dates upon which firms can complete their commitments is being given to the committee so that new contracts may be given them without any call on the labour market, so that if new contracts are not assigned them some part of their labour force may be used elsewhere.

The committee, too, is taking steps for the conserving and augmenting of the labour supply by the following methods:

1. In the recruiting policy they are endeavouring to ensure that men in the required occupations should not be recruited unnecessarily, and any already with the forces not being used in their trades should be returned to war industries as needed. A survey of the number of enlisted men in Canada in the scarce trades is being undertaken and the results made available to the committee.

2. Apprenticeship. As a rule apprenticeship training covers too long a period to afford any important increase in the number of skilled workers in the emergency. Intensive instruction may speed up the completion of courses and make a number available to industry somewhat sooner. The character of the instruction is being checked to ensure that so far as possible the men are being trained in the required occupations.

3. Pre-employment training in technical schools, to which I have already referred. A survey is being made to ascertain that the training is being directed to the scarce trades; that it is not putting undue stress on theory; that the men are being trained in a short range of skills rather than all the skills of an occupation; that the facilities are being used in shifts in order to train the maximum number; that there is proper cooperation with local industry for use of plant equipment, and to ascertain when students will graduate and in what numbers.

Mr. GREEN: In connection with the matter of training, has the government any plan for training middle-aged men or training women for industry, or for training men who have been discharged from the army? Perhaps the minister was going to cover that point later, but he did not mention it in connection with his training plan.

Mr. McLARTY: Consideration definitely is being given to that point. We are training a limited number of middle-aged men, but the number is not at present great.

Mr. GREEN: At the moment practically all the training being done is of youths?

Mr. McLARTY: I think that statement would be generally correct, although we are now endeavouring to train some of those who are older. We are investigating the possibility of securing instructors. If I may say so the bottle-neck of the plan has been the shortage of equipment and instructors. In other words, we are training all that we can possibly train, given the number of instructors available and the equipment which we can obtain.

Mr. GREEN: Is there any training of women for industry?

Mr. McLARTY: So far the Department of Labour has not trained any women as part of the project. Of course, industry itself is doing some training.

Mr. CHURCH: Has the minister made any representations to industry about these forgotten men, the men of forty-five years and over? In the Toronto district no one will employ them. Has the minister made any arrangements to take care of the thousands of men who joined the army and then were turned adrift after three or six months because of some medical disability?

Mr. McLARTY: I think my colleague, the Minister of Pensions and National Health (Mr. Mackenzie), will have some proposal to offer in connection with the latter part of the hon. member's question. As to the first part of his question, I would not want to say that definite representations have been made to industry to employ older men. I think that is something which industry will have to take upon itself. As demand increases and the supply diminishes, industry will almost automatically be required to take on older men and women.

Mr. CHURCH: Will relief be continued through this winter for the two classes of persons I have mentioned?

Mr. McLARTY: That question covers too much ground to be answered offhand, and I should not want to make any commitments in connection with it. This is a matter of government policy which will have to be considered thoroughly before any answer could be given.

Mr. GREEN: Would it not be possible to train some of these women and middle-aged men in the technical schools, along with the youths?

Mr. McLARTY: The difficulty in that connection is in obtaining the necessary number of instructors. So far there has been no lack in the number of trainees offering themselves. If a shortage of trainees should develop, then training could be given to those middle-aged persons who could perform useful service.

Mr. GREEN: If that were done you would get away from the conflict with the forces. The forces want the young men; they do not want middle-aged men.

Mr. McLARTY: Quite true. The committee is considering the training of older people.

4. The fourth step that the committee is taking has to do with training in industry. Government contractors with proper facilities may be required to train stated numbers of workers in the scarce trades as a condition of the contract. This training should take the form of upgrading. Jobs should be broken down, and the trained mechanics should do only the most skilled part of the work. The rest of the job should be divided among a few others nearest to him in line, each of whom should be broken in on his part of the job with a few weeks' training. Others behind them should move into their places, and so on through the plant. New employees should be taken on at the lower levels and moved up as rapidly as their abilities and the circumstances permit.

A survey is being made to determine plant facilities for training in the required occupations, the instructors available and how their number may be increased, and the number of trainees that may be graduated in a given period. This survey will be first applied to war industries and then to others if deemed advisable.

5. Training by federal government agencies. To meet their needs for skilled workers in the navy, army and air force, the arsenals and shipyards through the departments concerned must undertake to upgrade men as required of industry.

6. Transfer of workers. Provision to facilitate transfer of available workers to points where they can be placed must be made. I have already dealt with this transfer of trainees.

Mr. GREEN: The government pays the transportation?

Mr. McLARTY: That is correct.

7. A survey has been initiated to determine the number and locations of employees in the scarce trades now attached to non-essential or depressed industries who could be drawn into work on government contracts if that should become necessary.

8. Recruiting of women for industry and war auxiliary to the services. The extent to which women may be substituted for men

in war industries should the need arise is being studied with a view to provision for their training. As men are upgraded into higher jobs many women might be employed on jobs at the lower levels. Similarly in non-war industries, upgrading would release skilled men for war plants and, in many, women could be taken on to replace them.

9. Labour priority for war industries. A survey is being made to establish a list of the non-essential industries which employ labour in the scarce trades and to determine the number of such workers employed. It may be found necessary to deny such industries the right to engage any additional men required in the essential occupations and, secondly, to transfer some of their skilled labour to war industries.

This gives some picture of the wide duties and functions of this committee. Its personnel is, I believe, the surest guarantee of its efficient performance of its difficult but exceedingly important task.

This brings me to another important function of this committee upon which it will have to report but which, being a matter of policy, becomes a direct responsibility of the government. We are all aware that to-day all our citizens are called upon to make sacrifices—sacrifices which will be all the greater as the war progresses and time marches on. This is a total war, and the primary duty of government in the matter of sacrifice is to see that it is equally distributed.

Many will plead that they are making more sacrifices than their neighbours. But our world to-day is inspired by those who bear their heavy griefs with patience; it pays little heed to those who parade their petty grievances with impatience.

In Canada to-day our war effort depends on two great services—our fighting services and our producing services. Each is essential, each is interdependent, and each is determined to back the other to the utmost degree. But maximum production depends on the most efficient possible use of the human and material resources at our disposal. Manufacturing plants must be well equipped with modern tools and machinery and skilled men and women. They must operate to capacity within the limits of sustained efficiency. Wherever possible they must operate on two or even three shifts and in many instances production is continuous so that operation subject to another day being finished even on Sunday is necessary.

These conditions do not obtain generally in peace time, and it is but natural that the transition to war-time conditions raises problems concerning relations between employer and employee, principally the problem of remuneration for work done. In peace time, when the supply of labour has been plentiful, the tendency has been towards a shorter day and working week. That purpose has been twofold; originally to reduce fatigue and provide leisure for recreation; and later to spread the work and reduce unemployment.

The working day has been reduced to eight hours generally and the week to forty-four hours. Provision exists for the working of hours in excess of those outlined above, under special conditions, and overtime rates of pay have been established. These rates usually provide for payment of rates fifty per cent higher than straight time and in the case of work performed on Sundays, one hundred per cent higher. These last are punitive rates, designed to discourage the working of a seven day week. We must now give careful consideration to the question of the application of such punitive rates when war conditions have practically eliminated the reasons which originally necessitated their introduction. In the case of work which has to be performed on Sundays, some employees will be so employed but if they are given another day off during the week instead, it would be hard to defend the payment of punitive rates for Sunday work.

To-day we are approaching the point where, even generally speaking, a labour shortage will exist, and under the circumstances we must consider the question of lengthening the standard working week from forty-four hours to forty-eight or even higher, as the new basis for calculating what overtime rates shall be payable. We have reached the point at which, instead of planning to spread the work, we are actually seeking workers to man our rapidly expanding war industries.

With the distressing news concerning havoc wrought by the enemy in such centres as Coventry, Birmingham, Bristol and Southampton still ringing in our ears, and with the Minister of Shipping admitting that sinkings are going on at a greater rate than replacements, I suggest that this is no time for us to be thinking of maintaining standards which do not take into account the urgency of the situation.

In considering the possibility of lengthening the working week we appreciate that this involves the possible temporary—I should like to emphasize that, Mr. Speaker—the temporary relinquishing of certain standards which labour has established over the years. The only excuse for asking that these temporary concessions—and it must be admitted that they are temporary and for the emergency period only—be considered is that we must win the war, and sacrifice is unavoidable.

Mr. MacINNIS: The minister says that these concessions will be temporary. May I ask if it is the intention of the government to make that definite by legislation?

Mr. McLARTY: No. So far as I am aware the government has no such intention.

Mr. HANSON (York-Sunbury): It has the power now by order in council.

Mr. McLARTY: We could do it but it will not be necessary. If you start from the fundamental basis that labour is willing and anxious to cooperate, you do not need legislation; you do not need to wield the big stick to get them to do it. I am going to read three resolutions before I get through to show—

Mr. MacINNIS: The minister misunderstood me. Labour will be willing to make the concessions, but after the concessions are made will labour have to go through the same fight as they have had over the years to get those rights restored? In Great Britain every concession is registered, and it does not come into effect until it is registered.

Mr. SPEAKER: Order. If the hon. member wishes to ask a question he may do so with the minister's permission.

Mr. McLARTY: I can answer that quite readily. In the order in council passed by this government on June 19, in which we made certain observations as to what we considered was the best method of preserving the best possible relations between industry and labour in war time, we made it very clear that any concession made by labour in this emergency period would be for the emergency only. In his address a couple of weeks ago to this house the Prime Minister (Mr. Mackenzie King) reinforced that statement of policy by stating that when labour was making these concessions it was our definite duty when the emergency was over to see that labour did not suffer as a result. I do not think there can be any question about this government's attitude.

If lengthened, the working week must not be made inordinately long, as experience has taught us that beyond certain limits, fatigue more than offsets any advantage gained in production as a result of longer hours. The present working week is short of the point at which fatigue becomes a factor, and it may be found desirable to lengthen progressively the working week as the available labour supply diminishes.

Should these steps be found desirable, the sacrifice involved will be offset to a very large extent by increased incomes due to steady work and longer working hours, and by the controls adopted which have effectively protected all from unduly increased living costs. A study of workers' incomes in certain industries reveals the fact that where wage increases have been ten per cent since the outbreak of war, actual incomes have increased much more, and I suggest therefore that it is a problem of adjusting labour standards in the war effort by rational and logical approach on the part of all concerned.

The interest of the public in the situation is a very definite one indeed, exceeding in some cases the interest of the employer. This interest is, of course, evident from the fact that the government is the principal buyer, and in addition because of the policy which the government has followed to prevent the exploitation of war-time needs by any form of profiteering. One of the means to this end adopted by the government was to require all those who tender on government orders to do so on the basis of existing prices for labour and material, the government undertaking in some instances to protect the contractor against increases in either labour or material. This has saved the taxpayers of Canada a considerable amount of money.

I should like to put on *Hansard*—I am reminded of it by the question of the hon. member for Vancouver East (Mr. MacInnis)—one or two resolutions to show the attitude of labour and the cooperative viewpoint that now exists. Here is a resolution from a group of working men which indicates clearly their attitude of cooperation and willingness to accept their share of sacrifice in making common cause against the enemy. It is from the International Brotherhood of Electrical Workers in Toronto, and reads:

> That we notify all employers of our members we have decided to temporarily suspend the provision of our now existing agreement, which limits the hours of work, and will work eight hours per day, six days per week at straight time, during the present crisis, these to be between the hours of 8 a.m. and 5 p.m. on Monday, Tuesday, Wednesday, Thursday, Friday and Saturday (holidays not included). It being distinctly understood that our agreement, as at present constituted, shall remain unchanged and the suspended provision shall immediately, at the end of this crisis, automatically become effective.

A few days ago a friend of mine was talking to the general manager of a large industrial plant. He asked the general manager if they were experiencing any difficulty in stepping up their production. The general manager replied that they were not. They called a meeting with their employees, told them the facts of the situation, and asked for suggestions. The outcome was a voluntary

arrangement whereby employees in that plant are working at more than prescribed hours per week for straight time wages.

I could give a great many examples, Mr. Speaker, of plants in which the same thing is happening. But the point is, when it is suggested that this be done by some arbitrary method, that the best way to do it is by mutual local agreement, and this method has been followed in a great many instances.

I have here another resolution passed by the carpenters' union of the city of Regina:

> Therefore be it resolved that we, the carpenters of Regina, represented by the above mentioned local union, do hereby promise, from this date and until this present war is won by the British empire of which we are proud to be a part, "to work on government war work only for straight time for ten hours each day and for six days per week, including Sundays and holidays, for the rate of wages as set out in the agreement and signed by all parties concerned" for all carpenters and for all carpenter work.

I merely give these, sir, as typical illustrations of the willingness of labour to cooperate voluntarily.

There is, sir, a right way and a wrong way to deal with and adjust every problem of human relations. It has been urged upon the government that by some fiat, by some ukase, we should order labour to do certain things in the matter of wages paid or hours of labour worked. There might be conceived some circumstances in which the government might be required to take such action. But those circumstances do not exist to-day. What labour is looking for is not regimentation but direction. It has made that abundantly clear. Dealing as we are with a cooperative body, why should such action be necessary? That is the wrong way.

I was interested in reading a report of the remarks made by the Minister of Labour in Great Britain, in the House of Commons yesterday, in which he said:

> Had we applied conscription of labour in the manner suggested, we should have made direct for defeat. Compulsion does not give the desired result.

The right way is to assume that this is fundamentally labour's war, and that being so, that labour—organized and unorganized—is willing to contribute its maximum effort in this critical time. It involves a definite consultation with labour, a testing-out of the viewpoint of labour. The use of the big stick is unnecessary when we are all engaged in a common purpose. I am convinced that that is the right way. And I am equally convinced that if we adopt it, it will redound to the benefit of the Canadian people during war time, it will be of definite assistance in the aftermath of war, and it will immeasurably promote the happiness and prosperity of our Canadian people.

Mr. BRUCE: May I ask a question of the minister? I did not wish to interrupt him while he was giving his excellent address, but when he was dealing with the difficulty of obtaining instructors for the technical schools I wondered whether anything had been done to enable the release for that purpose from the army of men who are skilled mechanics. I have been told that our technical schools in Toronto could train two to three times as many young men and women as they are doing if they had sufficient instructors. Has anything been done in that regard?

Mr. McLARTY: Nothing definite has been done in that connection. It is receiving consideration at the present time, along with the problem of withdrawing those who might be more useful in industry than in the army. One practical thing we are endeavouring to bring about—I cannot say that it has been definitely done—is to obtain highly skilled employees of the railroads who have been retired, so as to utilize them as instructors. We know that it will not be difficult to interest them, and we hope to be able to use a great number of them if they are available.

Mr. HANSON (York-Sunbury): In the matter of the enlisted man, as I understand the position now, it is left to the man himself to say whether he will ask for his release, and without that the army officials cannot act; they cannot peremptorily take him out of the army and put him in industry. Is that not the position to-day?

Mr. McLARTY: The leader of the opposition (Mr. Hanson) is dealing with a matter on which others are probably better qualified to speak than I am, but my impression is that his statement is correct.

Mr. HANSON (York-Sunbury): The man himself decides.

Mr. KARL K. HOMUTH (Waterloo South): First, I want to congratulate the Minister of Labour (Mr. McLarty) on a very enlightening address to this house. An address like that is the sort of information which this house wants from the ministers who have the responsibility of carrying on our war effort.

I wish also to congratulate you, Mr. Speaker, on the attitude you have taken with respect to the reading of speeches in this chamber. I would hesitate to interrupt a speaker who is reading a speech, to draw the fact to your attention, but on several occasions I have spoken to you personally,

because I do feel the practice is unfair. In my opinion the same rule should apply to cabinet ministers. I say that in fairness to the private members of this house. Cabinet ministers should not be accorded any more consideration, except on occasions when, for example, they are making some statement which deals with a new policy, or dealing with some matter of international importance, or reading exhaustive figures. I congratulate you, Mr. Speaker, upon your attitude in this respect, although I think that, as regards new members—and we can leave this to your judgment—they should be given more leeway in their maiden speeches than those who have been in the house for some time and have previously taken part in its debates.

Before I enter upon the general subject matter of my remarks, I feel constrained to make emphatic reference to something which has happened in the last two or three days. I refer to the decision announced by the board of governors of the Canadian Broadcasting Corporation to defer action against the Transradio press service. To my mind this is a serious matter. A few days ago the Dies committee in the United States issued a white paper in which they showed that this service received some $44,000 for the purpose of broadcasting nazi propaganda throughout Canada and the United States. It was as a result of this disclosure that the Canadian Broadcasting Corporation's governors decided to appoint a committee and take action. I believe they have now referred it to a subcommittee. I am sorry that they have not taken definite action and ruled these people off the air. We have enough to contend with in this country without having that insidious nazi propaganda going over the airways of Canada, and I hope that the minister will decide to take definite action in this matter. It is a serious thing. Propaganda of this kind can do a great deal of harm to our war effort.

There is no one who would at any time question the courage of the men in our army, our air force, and our navy. The fact that they are in the service is sufficient evidence of their courage. But we must have courage in other places in this country. We must have courage in this house. We must have courage in this government,—courage to do the things which are necessary to the war effort, courage to pass such laws as are necessary to give the greatest help we can to the mother country in this hour of extreme peril. I feel that sometimes we are inclined to soft-pedal some of our responsibilities because of some political effect that action might have on portions of our population. That thing must not be. Here in this house, and particularly with the ministers, there must be courage to face these issues as we have never faced issues before.

I have heard during this debate rather alarming things from some hon. members. Two or three, for example, have referred to an undergrading of wheat going to the elevators in western Canada. For many years I have heard these charges; I do not know whether they are true or not, but statements to this effect have been made on the floor of the house. It is a serious matter. Goodness knows the farmer gets little enough for the products he raises. If undergrading is going on, the government should have the courage to have it stopped and to see to it that wherever cases of the kind can be traced, farmers are reimbursed for anything out of which they have been cheated.

The hon. member for Kootenay West (Mr. Esling) made the statement yesterday that many of the British Columbia Doukhobors have not registered, that they defy our laws. There can be no neutrality in Canada in regard to the war. We are either for our war effort or against it. If there are in any community in this country people who are not prepared to play their part, this government and the authorities must take action against them. Any man in my district who failed to register—and there have been a few—has been taken into court and fined, or, if he cannot pay the fine, he must go to gaol. They tell me that some of these people would be glad to go to gaol. Well, perhaps gaol is too good for them. If so, they should be put in an internment camp and made to work. At any rate, they should be compelled to live up to the laws of Canada. These are some of the things in which we must show courage, particularly at a time such as this.

The other day I was amazed when the hon. member for Cape Breton South (Mr. Gillis) raised a question with reference to the men who had been arrested at the Chrysler plant and the Minister of Justice (Mr. Lapointe) stated that it was under an order in council passed by the government that this plant had been declared a protected area. The hon. member for Cape Breton South inquired whether the Department of Justice had ordered the arrest of these strikers, and the reply of the Minister of Labour was:

> My information is that the arrests were made by local and provincial police, under the instructions, not of the dominion government but of the Attorney General of Ontario.

These men were arrested because of the violation of a law passed by this House of Commons. The police officers, whether they

be municipal, provincial or federal, are sworn to uphold the law. This law is our responsibility; it was passed by the government of the day. It was under this law that these men were arrested. Let us, then, take responsibility for it. Let us show that we have the courage to stand by the things which we believe are necessary in our war effort.

I have been particularly pleased during this session to listen to the tolerant speeches which have been made. Only on one or two occasions have there been speeches that savoured perhaps of politics. I do wish however to associate myself with the hon. member for Vancouver South (Mr. Green) in his mild, yet, I think, deserved criticism of the government or of some members of the government who, when we offer certain criticisms of the government, are inclined to yell something across the floor of the house to the effect that we are sabotaging the war effort. I realize it only comes from two or three sources, but it is rather unkind, because there is not a member of this house who is not definitely behind the government in everything it is willing to do in this war effort.

I wish to refer for a moment to one-third of the speech made by the Minister of Agriculture (Mr. Gardiner). I have a very high regard for the Minister of Agriculture. No one loves a political battle more than I do; no one will fight any political battle harder than I will; and I like to hear the Minister of Agriculture, at other times than the present at any rate, when he is making very strong fighting speeches. I say, I like to hear him, and therefore often, when we have dented the armour of the government, I have watched private members turn their faces pleadingly to the Minister of Agriculture, waiting for the moment when he will get up and rescue the government from the criticisms of the opposition.

The Minister of Agriculture referred to the election of March 26 and rather prided himself on winning his riding and on the fact that the government had come back with such a large majority. Perhaps we are all willing to admit that at that time the war efforts of this government were considerably beclouded—

Mr. HANSON (York-Sunbury): Were there any?

Mr. HOMUTH: Of course, what there were. But later on in the following session a certain truth came out that more or less substantiated the stand we had taken. The people of the country are not interested in political speeches; they do not want political speeches. We are at war. Let us therefore fight our political battles when the proper time comes, but while we are at war, let us show that tolerance that has been so prevalent throughout this session, and let everyone do his utmost to further our war effort.

There are rumours. We all hear rumours, rumours that are sometimes disturbing, and in my opinion if the government were a little more frank with the people many of these rumours would disappear. Greater frankness will dispel these rumours, and that is one thing we must make sure of. I have listened carefully to the minister of National Defence (Mr. Ralston), the Minister of National Defence for Air (Mr. Power), the Minister of National Defence for Naval Services (Mr. Macdonald) and the Minister of Munitions and Supply (Mr. Howe). One of the unfortunate things I find—and it is more prevalent in some departments of government—is that we still have our peace-time set-up, and our peace-time set-up is not good enough. Some of these men cannot adapt themselves to the war-time tempo and when problems arise which the minister feels perhaps are too much for him to handle he creates another board. Board after board has been set up in Canada and I doubt whether a member of the cabinet can get up and tell us how many boards there are operating in the city of Ottawa and throughout the country. The question is: Are these boards coordinating their efforts, and are they doing the job they are intended to do? How many of these boards are clashing with each other in the work they have to carry out?

The Minister of Finance (Mr. Ilsley) the other day told us of the great need for money. We all agree with him. There is an old saying that if you take care of the pennies the pounds will take care of themselves. We have wasted a lot of money in this war effort, and I say this not in any spirit of criticism. What I have to say to-day is said entirely because I wish to assist in every way I can and to help the government in its war effort. But we have wasted a lot of money because we have retained for many months the peace-time set-up which was disastrous to the work we had to do in preparing for this war. At the beginning of the war—and to some extent this is still taking place—goods manufactured hundreds of miles from Ottawa were shipped into Ottawa for inspection and shipped back to the very town or city from which they came, to be distributed to the troops. I have seen cloth from a mill hundreds of miles from this city sent here for inspection and shipped back to within two blocks of the mill to be made into overcoats. It was the peace-time set-up that was the cause of the waste of so much money. I say to the government that if they would look into many of these

smaller things they could save far more money than they are getting in from their war savings stamps.

I have seen ten trucks waiting at the freight shed to take a load a distance of half a mile, and they took two loads in a day when two trucks could have taken ten loads in the day. These are things for practical men to deal with, men who have the ability to organize, and they could be the means of great savings to this government.

The people are being taxed as they were never taxed before, and what they are being taxed to-day will be almost nothing in comparison with what they will have to pay in the future. They are not complaining, and they are not going to complain, but they do ask whether the government is getting a dollar of value for every dollar spent. In so many areas they have seen such waste of money that they become a little suspicious of our war effort.

The Minister of National Defence spoke of the building of barracks. I have no hesitation in saying that was one of the most extravagant jobs ever carried on in this country. By letting the contracts to local contractors, who would have bid on them and put them up in just as quick time, there would have been a saving of hundreds of thousands of dollars. But the army went ahead and built these things and the carelessness and waste of money and time was enormous. I say to the government that this peace-time organization is no good. Get the best men you can get, particularly practical men, men who know something about these jobs, not men who have sat behind mahogany desks in offices but superintendents of plants, builders and men who can be very useful to this government and are only too anxious to be so.

For the first time in the history of this country, I suppose, we had a civilian as master of the ordnance. On several occasions I went to see him with certain suggestions which I thought would save the government money and also save foreign exchange. I never knew a man in a government office more responsive to suggestions than Mr. Chester was. Sometimes within a week the new order went out and the change was made, meaning an immense saving to the government. Now I understand Mr. Chester is leaving, and I think a newspaper man is coming to take his place. Mr. Chester is a practical man; I am sorry he is going. I believe that those of us who have had associations with him, who know of his ability and what he was able to accomplish, are entitled to an explanation from the Minister of National Defence as to why that man is leaving the service of the country.

Now for a moment I should like to deal with finance, and particularly with the last war loan. I was very much interested in what the Minister of Finance said the other day. But I do believe, as my leader and other members of this house believe, that the last war loan was not the success it ought to have been, in spite of the fact that we may have received thirty or forty million dollars more than we asked for. We did not get the money from the sources to which we were appealing. I believe that right in the middle of it the government changed its mind as to its policy in raising money. Prior to the war loan being advertised prominent men from one end of this country to the other received a telegram from this government asking if they would cooperate and organize for the purpose of selling the war loan. I venture to say that in every instance the government got a reply expressing every willingness to cooperate, just as men were willing to cooperate in the last war. But that was the last these men ever heard of it. They were never called into conference; they were never asked to get together and organize. Apparently after sending out the wires the government decided to sell the war loan through the brokerage houses. So that in every village and town and city in this country every insurance agent, anyone at all who knew a brokerage house, could write in and ask for the privilege of selling the bonds. There was no enthusiasm stirred up; there was no local committee, nothing done to encourage the people, particularly those with the smaller savings in the banks, to participate in this loan.

I hope that when subscriptions to the next war loan are being asked from the people of this country the government will go back to the system we had in the last war, when prominent men throughout the country held public meetings, stirred up enthusiasm, brought home to the people their responsibility to subscribe; also that it will be in such denominations that people can buy $50 and $100 worth, as they did in the last war, and that they shall be able to get them through the offices of the industries with which they work.

An hon. MEMBER: And get six per cent.

Mr. HOMUTH: My hon. friend says six per cent. I am sick and tired of hearing about the percentage being paid on the war loan. I have enough confidence in the people of this country to feel sure that if they have to lend their money for nothing they will do it, if only we give them the leadership.

Another suggestion I want to make to the Minister of Finance and the Minister of

National War Services is in respect to our Red Cross and allied services. In our town—I think we were the first town in the country to do it—we put on a joint drive last year. We assured the people of our municipality that they would be asked only once in the year to subscribe to these various war services. We linked the Red Cross, the Salvation Army, the Knights of Columbus, the Y.M.C.A. and local requirements all together. Our people, knowing that they were not going to be asked to subscribe to some different service every two or three months, contributed exceptionally well, oversubscribed what we asked for, and thus we were able to take care of our allotment for all these various services. The government should give leadership in seeing that that same thing is done throughout this whole country. It has worked exceptionally well, and many municipalities are taking it up. Why the Red Cross object to it I do not know, but I understand there is an objection. It has worked well, and people subscribed freely; whereas if you make four or five appeals in a year they get tired of the continuous pleading for money. I suggest that the government give leadership in this matter.

I thought perhaps this afternoon the Minister of Labour would make some reference to what was said by the Minister of Agriculture (Mr. Gardiner) in his broadcast a week ago last Sunday night. I thought perhaps the Minister of Munitions and Supply would make some reference to it. Apparently this famous master mind from Saskatchewan, who spent most of his life on a farm or teaching school, tells his fellow ministers, the heads of industry in this country and the great mass of industrial workers just what should and can be done so far as trained industrial workers are concerned. He went to England; I believe he was away for six weeks. So far as he could he settled all problems with regard to wheat, pork, cheese and fruits. He did all those jobs; he did a little travelling round the country; he inspected the ruins; I believe he had an audience with his majesty. Undoubtedly he was invited out for luncheon and dinner on various occasions. I do not know whether he slept at all, but certainly when he returned he gave us to understand that in the course of the time that elapsed between leaving here and returning, he had done all these things and, in addition, had become an expert on industry. He told us that industry in this dominion needed to have only five per cent of its employees skilled workmen.

Mr. McCANN: He did not say that.

Mr. HOMUTH: Yes, he did.

Mr. McCANN: No; that was in Great Britain.

Mr. HOMUTH: He said that was all we needed here, or in any event that certainly was the inference. Of course he says things he does not mean; in fact, sometimes I think he does not know what he is talking about.

Mr. CLEAVER: He is not alone in that.

Mr. HOMUTH: The lone voice from Halton is heard again. I do say, however, that the statement the minister made was serious, and both industry and labour are wondering whether the remarks of the Minister of Agriculture represent the considered ideas of the government of the day. Men who have spent three, four or five years as apprentices; men and women who have spent two or three years learning, and then gone on for many more years before becoming absolutely efficient in their jobs, want to know if that is the attitude of the government. Is that what the government thinks of skilled labour in this country?

The Minister of Labour himself comes from a district in which there are industries employing highly skilled men, doing some of the finest work; industries in which nearly every employee is highly skilled. The Minister of Labour knows the statement of the Minister of Agriculture is not correct. Therefore I feel that before this debate is over, some member of the cabinet ought to clear the air. If the Minister of Agriculture made that statement on his own responsibility, without giving the matter adequate consideration, let him admit it. Everyone makes mistakes; we are all bound to make them, but this seems to me rather a serious mistake. I come from a highly industrialized county, and I can say that the heads of our industries have been only too willing to cooperate in every way with the Department of National War Services, and have been willing to do everything possible in order to permit their men to take military training. They feel, however, that a policy or idea such as this will be disastrous to our industrial set-up and to the tempo of industrial life in Canada.

For a moment I should like to deal with a particular activity in my own riding. I was interested in what the Minister of Labour said about the training of youth. I do not think in this country there is a youth training scheme that has done as good work as is being done at the Galt aircraft school. Here I should like to pay a tribute to the minister of labour of Ontario, who is doing a wonderful job there. As a result of his practical knowledge of industry and labour, and of this sort of work, he has built up at Galt a school

which has turned out about 1,100 aircraft workers now employed in the aircraft factories of this dominion, as well as about 1,000 young men who have taken their places in the air force. That school started in September with 200 men. The next class numbered 300; these were for the air force only. The third class numbered 613. Every time they have been asked by the government to double the number of students they have done so, and I believe the government might ask them once more to double their number. I believe they are able to do so; I think they have the necessary instructors with which to carry on. I would suggest that the number of students be greatly increased, because this is one of the sources from which we are obtaining not only our air mechanics but also the skilled workers for the various aeroplane factories in Canada.

I am told by industrialists who have taken these boys into their plants that within three months these boys are as far advanced in machine-shop practice as an ordinary boy taking three years of instruction in a technical school. That of course is because of the intense training these boys receive. I feel that a few more of these schools throughout the country would do a great deal towards looking after the boys who are coming out of school who are too young for the army but who may be able to supply the great demand for skilled labour that is gradually becoming felt.

There is however one disquieting rumour which I have heard on more than one occasion. It is that the government has been considering the erection of a factory for the purpose of training these students. I do not know whether or not that is true; I hope the minister will tell us. I hope it is not true, because we have throughout Canada hundreds of factory buildings that could be utilized for this purpose. I feel that perhaps in our war effort we are putting into bricks and mortar too many dollars that we ought to be putting into the things we require to fight this war. I travel across this country two or three times a year, and I know something of the various industrial centres. There are those who say that it does not matter how much money we spend in our war effort; that if we lose the war, our money will be gone anyway. Well, I say it is not so much a question of how much we spend but how we spend it. We are not going to lose the war; we are going to win it, but in whatever we do now let us have some sort of planned national economy. Let us make use of the vacant factories there are down in the maritimes, in Quebec, in Ontario and throughout western Canada. We have vast quantities

of gas and coal in Alberta and in Saskatchewan, and we should make full use of all these things which are requisite to industrial production.

Instead of building up vast industries as we are doing—I am rather fearful of the millions and tens of millions which are being put into new factories—we should spread out this work. I understand that the capitalization of these industries is to be wiped out in a period of five years. We should attempt to decentralize industry; we should spread out this work through all the cities, towns and villages of this country. If that were done, we would be doing much to help our national economy when this war is over. Where there is a concentration of industry in a few centres we accentuate the housing difficulties. The first thing we know we shall be building shacks for the workers and their families to live in. If there is such a thing as war-time prosperity, how much better it would be to take this prosperity to all our cities, towns and villages. We could thus take advantage of housing and factory accommodation that is available and provide the farmer with a local market, which he does not get with the concentration of industry we have under the present set-up.

The minister should have given us some idea of how all these plans are working out and of just what arrangements were being made with regard to profits where an industry is already established and is being given millions of dollars with which to build additions. These are matters which we should watch very carefully. This house should be given some explanation of them, and that is why I had hoped the estimates would have been down before this. If we had this information it would not be necessary to interrupt the ministers when they are making their statements.

I appeal to the government to give hon. members and the people throughout the country an opportunity of serving in this war. When the government decided to hold a national registration, they came to the members of this house for help, and every member responded. They went home and did their utmost to see that the registration was carried out properly. Give us something to do, in connection with either a war loan or some other activity. There are no politics to-day. The only politics we have now is the winning of this war. When the war is won, then we can go back to the political battles we have had in the past.

We are spending $100,000,000 in this war compared with every $10,000,000 we spent in the last. This is a tremendous amount of money to be spending. Unfortunately in

every country there are people who, regardless of its dire need, regardless of how freedom is being threatened, are prepared to take advantage of the times and become rich at the expense of their country. There are undoubtedly some such people in Canada, and we should be very careful in making these tremendous expenditures. I have always abhorred the word "scandal," and in my political career I have never resorted to its use or to personalities of any kind. Perhaps one of the worst things that could happen in our war effort would be to have a scandal develop. I ask the ministers to do everything possible so that, whatever expenditures are made, the Canadian people will feel assured that such expenditures are being made properly and that no opportunity is being given to those vultures who are so often ready to feed at a time like this.

Nothing could be more devastating to our war effort than to have something like that happen. I am a Conservative, I believe in Conservative policies, and when the time comes I am going to fight to put my party into power. But now we are Canadians; that is the only term we should know. If any hon. member should learn of anything at all suspicious, he should go to the minister concerned and tell him the story. Then, if there is anything to the rumour, the minister will have an opportunity to clean up things. Mistakes are bound to be made, but I think that hon. members should see to it that such matters are brought to the attention of the particular minister who is responsible. It should be done quietly. These things are bound to happen and we should be most careful. I say to the government that so long as they carry on and do everything they possibly can, I am behind them and will do everything I can to assist them in their war effort.

Mr. L. P. LIZOTTE (Kamouraska) (Translation): Mr. Speaker, in rising from my seat I recall having read somewhere in the Bible—a book which has no secrets for my reverend friend the hon. member for Fort William (Mr. McIvor)—that there is a time to speak and a time to remain silent. I fear that the hon. members of this house will tell me, now that the Christmas adjournment is approaching, that this is a time for me to remain silent rather than to speak. However, seeing in front of me and around me such examples of eloquent loquacity—especially my good friend the hon. member for Témiscouata (Mr. Pouliot)—I cannot resist the pleasure of saying at least a few words during the present debate. Besides, as the hon. member for Essex East (Mr. Martin) has said, it is proper that, as the representative of a certain section of the population, a member of the House of Commons should give utterance to his views and those of his constituents. In keeping with my life-long habit, I shall be brief.

I cannot let this occasion go by without adding my congratulations to those which have been so justly offered to the mover and seconder of the address in reply to the speech from the throne. Both hon. members represent a minority group in their respective provinces. Both do so with distinction. I particularly congratulate my excellent friend the hon. member for Provencher (Mr. Jutras), whose truly French name is frequently encountered in the province of Quebec, on the good French accent he has retained in the English-speaking province where he lives.

During the last session, when I was a newcomer, I was somewhat struck by the morbid irritability which prevailed in this house, especially on the opposition benches. I wondered whether our parliament was always the seat of a war of nerves. I am ready to believe that the tragic events then occurring in Europe with lightning speed were to a certain extent the cause of this nervousness. Those who did not share the government's views, the members of that party which at the recently held general elections had been weighed by the people and found wanting, were loud in their cries that our war effort was worthless, that the defence of the country was poorly prepared, that the government was slumbering instead of rushing to arms and sending Canadians to do battle—they knew not where, but, anyhow, across the seas, even if England did not need them.

I was glad to see that the government was not letting itself be impressed by this rash criticism. Indeed, amid those loud cries and passionate appeals, those who presided over the destinies of the country continued to work calmly and silently, as is proper in war time, devoting all their energy to the task of ensuring the security of the Canadian people.

Today, to the utter amazement of our opponents, who can hardly credit their eyes or their ears, we are witnesses of the prodigious, indeed the miraculous effort accomplished by the government in order to provide our country with the necessary armour to fight victoriously on land, on sea and in the air, and to help Great Britain to win this war which is the war of all those who cherish their traditions, their civil and political liberties and their physical and moral existence.

I listened with deep attention to the speeches recently delivered by the Minister of National War Services (Mr. Gardiner), the Minister of National Defence (Mr. Ralston), the Minis-

ter of National Defence for Air (Mr. Power), the Minister of National Defence for Naval Affairs (Mr. Macdonald), the Minister of Munitions and Supply (Mr. Howe), the Minister of Finance (Mr. Ilsley), and, to-day, to the speech of the Minister of Labour (Mr. McLarty). They have given us detailed statements—as detailed as is possible in time of war—of the prodigious efforts put forth and the magnificent results obtained. I was satisfied and deeply impressed.

I then read their statements as recorded in *Hansard*, and as all those who have taken the trouble to do so, I became convinced that they had, in less than one year, written glorious pages which more advanced countries would be proud to have written in several years.

The government having put forth an effort greater, in my opinion, than our means justify, those who publicly proclaim that we have not done enough must be utterly lacking in responsibility and generosity. Our prodigious effort will continue, and glorious pages will still be written by those to whom the Canadian people have entrusted the preservation of their security, their democratic principles and their liberty.

Mr. Speaker, a question frequently brought up is that of national unity. It has been broached on many occasions in recent months and again during this session. We must never cease thinking of it. So far, in spite of our prodigious effort, in spite of the enormous sacrifices laid on the Canadian people, the national unity which the Prime Minister (Mr. Mackenzie King) and the Minister of Justice (Mr. Lapointe) have striven so hard to build up has been preserved. May the government ever continue to direct its policy, to steer its course, towards that goal, that promised land of the Canadian ideal—national unity. May the government ignore threats and intimidation and carefully refrain in its war effort from moves—those who hear me and will read my speech will understand what I mean—from moves capable of destroying in a single day the work of many years and the national unity which the leader of the party at present in charge of the affairs of the country has, in cooperation with the recognized leader of the province of Quebec, spent his life in building up.

The mobilization act was voted by the representatives of the province of Quebec as by those of the other provinces. We all understand, in Quebec as in the other provinces, that it is our bounden duty to defend our mothers, our wives, our children, our homes and our land. Therefore, the people of Quebec, just as the people of the other provinces, have agreed willingly and even enthusiastically to lend their sons for military training for the defence of Canadian territory. They will likewise agree to give them to the country when the country will be in danger. But the people of Quebec, who are attached to their land, object to all uncalled-for zeal likely to prove unnecessarily harmful, especially to the farming class, the class which interests me most, since my constituents are mostly farmers. There is some talk of amending the regulations made under the mobilization act with a view to extending the training period from one month to four months. The members of the house will not be called upon to deal with this question, but I humbly urge upon the government to take steps to see that agriculture is not harmed and that the farmers and farmers' sons are not taken from the land where their services are required. It has been suggested that the farmers would be trained during what is called the slack season. But, Mr. Speaker, there is no such thing as a slack season of four months in farming. And should the farms be deprived of the labour required to operate them, confusion will set in and agriculture will be seriously inconvenienced.

I have sufficient confidence in my leaders and in the government which I have always supported and will continue to support to know that they will carefully consider this problem and see that this difficulty does not arise.

I fully agree with the view expressed by the hon. member for Glengarry (Mr. McDiarmid) on Tuesday last in the following words:

> In my opinion food was the chief factor in the winning of the last war, and lack of food was the cause of the collapse of Germany. The food blockade of enemy countries and the production of food in the allied countries constituted one of the chief means of winning the last war, and we are all of the opinion that the same means will be responsible for victory in this war.

I am sure, therefore, that the government will not take amiss the humble suggestion of the humblest of representatives of a rural constituency. I am confident that the necessary measures will be taken to avoid harming the agricultural class and the country's food production.

Furthermore, Mr. Speaker, the people of Quebec have insisted, still insist and shall ever insist that the sacrifices they have accepted to make must be voluntary and must remain voluntary. Besides, this attitude is general throughout all the provinces of the dominion. On that condition and that condition alone will the old province of Quebec continue to give its men to the

country for the defence of Canada and voluntarily send many of its sons for service overseas, for it is a fundamental tenet of our democratic belief that freedom should be defended by free men and that it is free men who can best defend the empire which protects us and our own country, Canada, whose interests we wish to safeguard first and above all.

Mr. T. C. DOUGLAS (Weyburn): Mr. Speaker, owing to the fact that I was qualifying at Dundurn military camp for a commission in the Canadian Army, it was not possible for me to hear the speeches made by the mover and the seconder of the address. I have, however, read their speeches, and I want to offer to both those gentlemen my congratulations upon launching this debate on so high a plane.

My remarks will naturally divide themselves into two main themes: first, some of the problems inherent in our war effort; and, second, the need of an agricultural programme to prevent the complete economic collapse of western Canada.

The first and most pressing matter with reference to our war effort is the lamentable shortage of essential equipment for the fighting services. No useful purpose can be served at this time by dwelling unnecessarily upon some of that lack, nor by drawing a picture which can serve only to give comfort to the enemy. Nevertheless I, with every other member of this house, have a responsibility to the men who are in the fighting services. I had the privilege for several weeks of living with some of the men who are training for the purpose of fighting in defence of freedom. I cannot speak too highly of the instructional personnel or of the morale of the young men who are being trained. But I would point out, Mr. Speaker, that excellent instructors and enthusiastic youth are not enough when men are asked to drill with obsolete Springfield rifles which cannot even be fired, when artillerymen are working with imitation guns hewn out of trees, and when many of these units have had their only contact with modern equipment consist of fleeting glimpses of a Bren gun being whisked from unit to unit and from camp to camp.

As I pointed out to the house last year, this is a delicate subject, both for the members of the opposition and for the administration. There are questions which we cannot ask in this house without arousing fears and suspicions, and, believe me, sir, that is the last thing I want to do. At the same time we dare not refrain from asking certain questions, lest we be derelict in our duty to the men whose lives may be jeopardized through lack of that equipment. That is why I asked the government last year to consider the appointment of a committee of the house to which confidential information could be given from time to time regarding the progress made in securing equipment very much as was done in Great Britain yesterday, where a secret session of parliament was held in order to give information about the organization of the army. The government has not seen fit to comply with that request. We have, therefore, no alternative than to raise these matters on the floor of this house.

To say the very least, the supplying of war equipment has been far from satisfactory. We ought to be told, for instance, why it is that we are not in production of the Lee-Enfield rifle in the Dominion of Canada. We are told that we shall be in production in 1941—which means that by the time we have been at war for a year and a half or two years we shall be producing that most elementary of all weapons, the infantry rifle.

This house has a right to know when we shall be in production of anti-tank guns. I am told by those who are in a position to know, that the anti-tank rifles with which Canadian troops are now being trained are about as effective as pea-shooters and as obsolete as the bow and arrow. When do we expect to be producing an effective anti-tank gun, and in what quantity?

We should be told what steps are being taken by the government to produce Bren light machine guns in other plants than the John Inglis factory—either in other private plants, or in government arsenals, as the British are doing in the Woolwich arsenal. From time to time glowing reports have been given to the effect that the production of the Bren machine gun was far ahead of schedule. But until recently it has been almost impossible to get figures. The other day the minister gave them to the press, but not to the house. The statement is that we are to have 1,750 light Bren machine guns by next March. May I remind the house that the contract which was drawn up with the John Inglis plant in 1937 called for 1,000 light machine guns by the 1st of April, 1941. But the government's announcement means that by next March we shall be 750 guns ahead of a peacetime schedule which was drawn up four years before.

I am not blaming the John Inglis plant. If we take into consideration the fact that they started from nothing, they have probably gone into production as quickly as possible. But I would suggest that the fact that by next March we are going to be able to equip fewer than thirty-five infantry battalions, fewer than 35,000 men, when we have 150,000 men in training in Canada—and that is on the

basis of only one light machine gun to a section—indicates a sorry example of muddling and inefficiency. The house has a right to know whether the government contemplates putting other firms or some of the other government arsenals into the production of the Bren machine gun.

The committee which I suggested should be set up ought to be given information about the production of 25-pounders. So far, I understand, we are not producing any. Above all, we have a right to know something about the real facts as to aircraft production in Canada. Some of the glowing statements issued to the press about the number of aeroplanes being produced each month omit to tell the public that, of course, these are planes without engines. There is a growing feeling among men who are acquainted with the aircraft industry that something is seriously wrong. I am told by experienced pilots that the Boeing aeroplane is one of the four best aircraft in the world. If that is true, why is the Boeing aeroplane factory in Vancouver being allowed practically to close its doors? I came down in the train with aircraft mechanics let out of the Boeing plant because the plant officials said they could not get sufficient raw materials and, therefore, must curtail production. Surely there is something wrong there. Further, may I refer the house to the Malton plant near Toronto owned by the National Steel Car Corporation. This is said to be one of the best equipped plants in the country. The Canadian government's original educational contract was for twenty-eight Lysander planes. This plane, it is said, is regarded by authorities today as being the best army cooperation plane produced, and the need for mass production of these planes is most urgent. As I understand it, the educational contract called for the first planes to be completed and delivered by November, 1939, but up to December, 1939, only twenty-four of the twenty-eight had been completed for delivery, and the last four were not finished until March, 1940. Since January, 1940, three contracts for Lysander planes have been begun, but prior to October 5 not one Lysander plane under the new contracts had been completed for delivery from the Malton shop.

Hon. members have a right to know what is wrong. Men who have worked in that plant are enthusiastic about its equipment, but in the last few months at least a dozen key men have quit their jobs, among these men being the plant manager, the chief plant superintendent, the chief plant inspector, the erection and shop foreman, the machine-shop foreman and the plant's test pilot. The estimate given to me is that the employee turn-over at Malton during the past year has been from 75 to 90 per cent, and that more than 900 men have quit their jobs in the plant during the past six months.

I have a great deal more information about that plant, but I refer to it now merely to point out that there ought to be some representative body of this house to whom such information could be given and before whom such matters could be discussed. Let me tell the government now that the people of Canada are in no mood to stand for bungling and inefficiency, and that we in this house have a responsibility to see to it that the men who are going to risk their lives in defence of democracy are getting the very best equipment that human ingenuity and skill can produce.

Mr. CHURCH: And proper leave at Christmas.

Mr. DOUGLAS (Weyburn): Last year I suggested to the house and to the government that the public accounts committee or some similar body representative of all parties in the house ought to be allowed to examine war contracts. This has not been done. It is true that the Department of Munitions and Supply have issued long lists of contracts, but they have neither meaning nor value, because they are not classified and do not give the amounts obtained or the unit prices. It is of little value to any member to know that the government has spent half a million dollars in buying boots unless we know what the boots cost per pair and the basis upon which the contract was let. After the experience of the last war, it is only natural that the Canadian people should be suspicious on the question of war profiteering; and the government, for its own sake and for the sake of the morale of the public, ought to bend over backwards in handling this matter.

Something has already been said with reference to sessional paper No. 121 tabled in this house on November 20. There are two significant facts about it. One is that, so it is said, it is not considered in the public interest to give unit prices on an order of 26,000 garbage cans ordered by the Department of Munitions and Supply earlier in the year. That is quite a number of garbage cans and they ought to hold a great deal of garbage. Since then, we have been given the unit prices, but I would call attention to the explanation of the Minister of Munitions and Supply (Mr. Howe). He says that the reason why they are reluctant to give unit prices is that competitors will see what the figures are. Well, do we not want competitive bidding? Do we not want to buy articles at the lowest prices at which they can be purchased on

the market? Why should the house not be given unit prices on any of these commodities except with regard to those of secret design? The second and more significant fact is that, of the 26,000 cans ordered, 20,950 were ordered from General Steel Wares Limited—four-fifths of the order—and the assistant general manager of Steel Wares Limited is or was Mr. G. K. Sheils, deputy minister of the Department of Munitions and Supply.

I suggest that this sort of thing does not make for confidence and enthusiasm on the part of the Canadian public, who have been bled so often in days gone by. Therefore, at the risk of wearying the government, I will repeat the request I made last year: first, that the government consider setting up a committee to receive information with regard to the success that we are having in producing war material; and, second, that the public accounts committee or some other committee be allowed to examine war contracts.

I know the government does not like criticisms of this sort and is inclined to view them as a personal reflection. No such reflection is intended. I would remind the house that a year ago in the French chamber of deputies similar criticisms were met with indignant denials and soothing assurances that all was well. We know now that all was not well. A similar set of conditions obtained in Great Britain, where for years Mr. Winston Churchill was a voice crying in the wilderness against mismanagement and incompetence; but his criticisms were labelled unpatriotic and subversive, and were taken by some cabinet ministers as a reflection upon their personal integrity rather than as an indication of their unfitness for the positions they held. That attitude should not prevail here.

If all is well in our war effort, then the government should not hesitate for a moment to make the facts available, if not to the house at least to a committee of the house. And if all is not well, then we had better find it out now rather than wait until our house lies in ruins about us. In France and the United Kingdom it took a series of reverses to bring the people to their senses. Surely in this country we can learn by the experience of others and not wait until catastrophe jolts us out of our complacency. If there is a bottleneck somewhere; if lack of certain essential equipment is due to the organization of the Department of Munitions and Supply, then that department ought to be overhauled and overhauled immediately, because the Canadian people will hold this government and every member of this house responsible if they discover that incompetence, bungling or partisanship has caused us to do less than we ought to be doing in the prosecution of the war.

In dealing with Canada's war effort I wish to add my voice to those of others who have asked the government to give free transportation to members of the Canadian active service force. I hope the statement of the Minister of National Defence (Mr. Ralston) will not be taken as final. Coming down on the train, I met a young man from Nanaimo, British Columbia, who for over a year has been a member of a forestry corps which is now stationed at Valcartier, Quebec. He has been away from home for a year. He finally got his furlough, but found that, to go home, it would cost him about $100 for travelling and incidentals. Only the fact that some friends sent him the money made it possible for him to go home and see his wife and family.

The unit in which I am especially interested is the first battalion of the South Saskatchewan regiment which is now stationed in Toronto. I have over a score of letters from men in that unit and units similarly situated telling me there is being circulated among the men a list asking whether they want to go home for Christmas or New Year's, and the answer is invariably the same: "It does not make any difference because we cannot afford to go home anyway." It would cost these men at least $35 to $50 for transportation, and on a soldier's pay, particularly if he is married, he cannot possibly raise that money.

I would remind the house that some of these men will be going overseas shortly, and the forty-eight hours' embarkation leave is not enough to allow them to go home; thus for many of them this Christmas or New Year's leave will be the last opportunity they will have of being reunited with their families prior to crossing the ocean and facing all the dangers of war. Surely the government which is finding money for so many other things can see to it that these men are able to go home and spend what for some of them may be their last Christmas with their loved ones round the family hearth.

I wish now to deal with a problem which is the very opposite of that of the fighting forces. I refer to individuals across this country who are known as conscientious objectors. I have never been a pacifist. As hon. members know, ever since coming to this house in 1936 I have advocated economic, and, if needs be, military sanctions against aggressor nations. I have never been a pacifist because I believe that, in the Christian concept of society, "those who are strong ought to bear the burdens of the weak", and

that those who have the strength and the will are responsible for defending the helpless and the weak from injustice and oppression. For that reason I have never been able to accept the pacifist philosophy.

But while I do not agree with the pacifists I am prepared to fight to the death for a man's right to be a pacifist. The right of conscience is as old as Christianity, which has taught through the centuries that we must render unto Caesar the things that are Caesar's, and unto God the things that are God's. Christianity has taught that the individual has a right to determine where his duty to Caesar ends and his duty to God begins. Some of us in this house are descendants of the Scottish covenanters, of whom it was said:

> They counted their faith so grand a thing
> They scorned to yield it to a king.

The reason why we are opposing Hitler to-day is that he has denied that right of conscience, and has said that the will of the state is supreme over the will of the individual. We do not believe that. But we cannot defeat Hitler by emulating Hitler.

In the regulations set out under the National War Services Act there is a provision for conscientious objectors. It is regulation 18, which reads:

> Conscientious Objectors
>
> 18. (1) Any man who, from the doctrines of his religion, is averse to bearing arms or undertaking combatant service, may apply for an order deferring or postponing his military training indefinitely, provided that it is established that such man conscientiously objects to the bearing of arms or the undertaking of combatant service and—

I draw the attention of hon. members to that word "and", which I think ought to be "or".

> —is prohibited from the bearing of arms or undertaking combatant service by the tenets and articles of faith in effect on the first day of September, 1939, of any organized religious denomination to which said man aforesaid, in good faith, belongs.

Mr. DUPUIS: May I ask the hon. member a question, to help the house to understand? Could he give a list of the denominations that are conscientious objectors?

Mr. DOUGLAS (Weyburn): I could, but I do not propose to take the time to do so.

Mr. DUPUIS: The house would perhaps allow the hon. member to do that.

Mr. DOUGLAS (Weyburn): I draw this to the attention of the house because in the city of Saskatoon a group of young men appeared before a government tribunal and were refused the right of exemption, not because they could not establish that they had conscientious objections to bearing arms, but because some of them did not belong to a church which prohibits the bearing of arms. Most of them belonged to the United church, I think one to the Anglican church.

I am asking the Minister of National War Services (Mr. Gardiner) to consider in this matter three things: first, that regulation 18 should be amended to give the individual the right of exemption because of his conscientious scruples, irrespective of the stand of any church to which he might or might not belong; second, that the minister should consider the advisability of giving to divinity students studying for the Protestant ministry the same right of exemption that may be given to those in any other religious order; and, third, that a list of alternative non-combatant services be set out and that training be given along these lines for those who have conscientious objection to the bearing of arms, because I do not believe that in this hour of crisis any man has a right to exemption from service, but I do believe that he has a right to determine what service he can conscientiously perform.

I turn now to the defence of Canada regulations, as having an important part in our war effort. I recognize, as must every hon. member, the need for taking strict measures against espionage and sabotage if we are to prevent our country from being undermined. At the same time I must insist, as have other hon. members, that these regulations shall not be used to repress freedom of speech or of the press or to interfere with workers or farmers who are seeking to organize with a view to bettering their economic standard of living. I am in accordance with the suggestions of the hon. member for Vancouver East (Mr. MacInnis) and the views of the hon. member for North Battleford (Mrs. Nielsen).

Mr. HANSON (York-Sunbury): Would the hon. gentleman allow me to ask a question? Has he given any consideration to the question of the entire suspension of the writ of habeas corpus, so far as internees are concerned, under the defence of Canada regulations? That is very important.

Mr. DOUGLAS (Weyburn): As the leader of the opposition (Mr. Hanson) will perhaps remember, in the discussion last year of the defence of Canada regulations, when the committee was being set up to study them, we objected to that right being taken from internees. We contend that it is so easy in times like these when we are all naturally susceptible to some hysteria, to let our fears of fifth columnists become a screen behind

which we allow reactionary forces to destroy some of the very things for which we profess to be fighting.

I have a concrete example that I wish to place before the house. I have a brief here from the legal counsel who was concerned with this case and who, I know, would be glad to place this material personally before a committee of the house.

A short time ago relief recipients working for the city of Regina went on strike. Consequently, the relief committee of the city council and some members of the council invited a delegation of three from the relief recipients to interview them at the city hall. At that meeting there were none present except the delegation of three, the relief committee of the Regina city council and the officials of the provincial government interested in relief matters. Therefore there was really no one there except those definitely interested in the submissions to be made by the delegation from the relief recipients.

The three men submitted their case, the first two members of the delegation putting forth their claims for wages and work, and the third member, Mr. Florian Stephan, drawing particularly to the attention of the committee how the relief recipients felt about the relief situation. As soon as that meeting was over, two members of the Regina city council went to the police station and laid a charge against Stephan under the defence of Canada regulations, more particularly under that section which deals with the making of inflammatory statements with a view to causing disaffection towards his majesty. No summons was issued, but this man was arrested and thrown into gaol.

The only evidence put forth by the crown at the trial was that of a very third-rate stenographer who took notes of the speech. She admitted that she did not get down correctly the statements made, and that she had not had a great deal of experience as a stenographer. Mr. Hark MacPherson, chairman of the relief committee, admitted on the stand that there had been the friendliest atmosphere possible at the meeting and that he saw nothing in the speech that would alarm or disturb him. Other witnesses gave evidence to the same effect. The members of the relief recipients' delegation swore on the stand that the speech given by Stephan was quite different from the copy under which he was charged. I have a copy here of what he is alleged to have said; and in spite of the fact that the witnesses declared that it did not represent a fair report of his statement, personally I can see nothing wrong with it.

Mr. DUPUIS: Were there any other witnesses to the contrary at the inquiry?

Mr. DOUGLAS (Weyburn): Not to my knowledge. I should like to take this opportunity of reading this statement to the house It is a little lengthy, but I think it necessary to read it in order to state the case fairly. This is taken from the evidence; it is a certified copy. Mr. Stephan is alleged to have said:

> The only thing I wish to state, and I want you people to take this seriously. These people who walk off these jobs did not do it for fun, and do not underestimate these people. It is a serious matter to them. They have suffered to an extent where continuance was unbearable. I know, and everybody knows, that since this war we have been pinched, and millions made by certain people in the war. Therefore, there is an attitude among those people. These people have nothing but suffering, and they are prepared to suffer much more in order to get the elementary basis of living, and they are not getting it, and I can say that they are willing to suffer much more in order to gain. They will insist upon this. They were free once. In plain words, they are fed up by being demanded by rules and regulations, for when a man is earning his money, for God's sake give him that money and let him be free. That is the general opinion of the people, and they believe they earn everything and get nothing for it. There is a lot of sentiment and sympathy, in the way of donations of a department store already received. There are a number of grocers and stores who have shown favour, and feel that we have a just case. And the people who have suffered are willing to suffer more and knowing of the support of the average man and citizen in this city, they are prepared to continue and carry on. I do not wish this as a threat, but just realize the gravity of the situation and how they feel. They know you can use a strong arm, but I know they are absolutely sincere and I know that is their stand with no idea of threat and I sincerely hope some agreement can be made.

Mr. HANSON (York-Sunbury): Is that the complete statement?

Mr. DOUGLAS (Weyburn): That is the complete statement, as I have it from the counsel. For making that statement, a nominal fine of $10 and costs was imposed on Florian Stephan; a conviction has been registered against him, and he has been photographed and finger-printed like a common convict. Apparently his only crime was that he made an appeal to the relief committee of the Regina city council to prevent schisms and divisions among our people, pointing out that there was need of a better feeling between employer and labour, and that those who exploited the common people were doing far greater disservice to the state than the fifth columnists themselves. Surely it is indicative of the road along which we are travelling when a man whose only crime is seeking to get better conditions for himself and his

fellow workers can be hauled into court, merely by some local body under the authority of the provincial attorney general, without any representation having been made to the Minister of Justice or the federal government. I would not like that in Germany, Mr. Speaker; I like it a great deal less when it happens in my own province. On behalf of our group I wish to say that we will continue to demand that these regulations be amended. We do not want to make it easier for the fifth columnists. If we had our way we would make it a great deal harder for the fifth columnists, but we desire to make sure that innocent people cannot be prevented by these regulations from exercising those prerogatives which, under democracy, belong to every citizen of the state.

Mr. DUPUIS: Is what the hon. gentleman read a transcription by the stenographer?

Mr. DOUGLAS (Weyburn): That is the transcript submitted to me together with the brief of the counsel.

Mr. DUPUIS: A transcript by the stenographer?

Mr. DOUGLAS (Weyburn): Yes, a transcript by the stenographer, submitted to the court as evidence.

I come now to the second part of my remarks, which have to do with agricultural policy. I wonder, Mr. Speaker, if you would call it six o'clock.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. DOUGLAS (Weyburn): Mr. Speaker, when the house rose at six o'clock I was asking the house to give consideration to a programme for western agriculture. Before continuing with my remarks, I should like to refer to a rather sneering reference which was made by the Minister of Agriculture (Mr. Gardiner) to members of this group. He said that only one of us had ever earned his living on the farm. Surely the Minister of Agriculture is not going to pose here as a farmer who has turned politician. Those of us who come from Saskatchewan know perfectly well that he is really a politician turned farmer. As a matter of fact, the Minister of Agriculture began his public career as a school-teacher. It was only when he had entered the Saskatchewan legislature that he took up farming, which he has used ever since as a shield for his other activities.

[Mr. T. C. Douglas.]

Mr. TRIPP: Was he not a farmer before he was a politician?

Mr. DOUGLAS (Weyburn): Not to my knowledge, except that as a boy he probably lived on the farm. I should like, however, to tell the minister that there is no disgrace in not having lived on the farm. In my opinion, the only disgrace is to have been elected by farmers and then, after coming to Ottawa, to have turned round and sold them out, as they have been sold out for the last twenty-five years.

The minister said that his agricultural policies were endorsed by the farmers in the last federal election. If there is any man in the government who ought not to mention the last federal election, it is the Minister of Agriculture. He represents Saskatchewan in the cabinet, and Saskatchewan was the only province where the government came out of the election with fewer seats than they had before. They went into the election with seventeen seats and came out with twelve. No small part of that reduction was due to the same minister and his policies. An examination of the results from the rural polls will show that the minister was ignominously defeated by the farmers of his own constituency. He was rescued by the vote of the town people and by the fact that a third candidate was kept in the field to split the vote. The minister says that he was elected by agriculture, but the fact is that he was elected in spite of agriculture. In my opinion, agriculture in this country is important enough to deserve the full time and exclusive attention of one minister of the crown. I do not think the Canadian farmer will take well to the fact that he is represented by a minister who is half-time Minister of Agriculture and half-time Minister of National War Services. From now on we shall have to call him "minister of half and half".

The problem of agriculture divides itself into two parts: First, there is the problem having to do with those who have no crops, and, second, there is the problem having to do with those who have crops.

Like most western members I was delighted when the Minister of Agriculture announced that 1940 would be declared an emergency year under section 3 of the Prairie Farm Assistance Act. That is excellent, and I hope the government will accede to the application of the province of Saskatchewan to have a crop failure area declared under section 4 of the Prairie Farm Assistance Act. There are in Saskatchewan somewhere between 170 and 200 townships which ought to qualify under that section of the act. If they do not qualify,

then the people living therein will have to come under section 3, which means that they will receive 50 cents an acre less by way of bonus. But what is more important, they will receive no benefit from the $200 minimum which applies only if a crop failure area is declared.

I would remind the government that there are people who will not get the bonus, and there are others who will need some assistance until they do get the bonus, especially if it is as late as it was last year. In many districts the people cannot get relief because the municipalities in which they live cannot afford to pay their 20 per cent share. I still think there is need for an emergency relief fund to provide for people who cannot be taken care of by their local municipalities.

I should like to say a word about those people who have a crop. The acting leader of this group, the hon. member for Rosetown-Biggar (Mr. Coldwell), has already outlined an agricultural programme and I intend merely to touch upon it. The first suggestion was that the government should make an interim payment on the 1939 wheat crop. Farmers of western Canada were led to believe that they would get this if the present government were elected. Second, I urge that consideration be given to paying an advance for wheat stored on the farms. I would remind the government that in the latter part of July and early in August of last year the groups in this corner and the official opposition advocated such an advance being made. Replying to us, the Minister of Mines and Resources (Mr. Crerar) is reported as follows at page 2420 of *Hansard:*

> I say to them once more that the government are not unsympathetic to the suggestions they have advanced.

As reported on page 2421, I put the following question to and received the following answer from the Minister of Trade and Commerce (Mr. MacKinnon):

> If the minister will get up and say that the farmer will get a cash advance on the grain which he is not able to sell to the wheat board I am prepared to stop debating the matter.
>
> Mr. MacKinnon (Edmonton West): All I can say is that the wheat committee of the cabinet is seeking a solution right along the line indicated by the hon. member for Weyburn.

We left here with the impression that something of that sort would be done. Nothing of that sort has been done, and no reason has been given why it could not be done. We heard the other day from the Minister of Trade and Commerce that the farmers had a reserve of some $100,000,000, but this wheat is not a reserve. This wheat represents frozen assets; it represents money which the farmer cannot get; it represents goods which he cannot sell. But in the meantime his debts are going unpaid.

Third, we advocated the closing of the Winnipeg grain exchange during the war. Fourth, we advocated the handling of all wheat through the wheat board and, fifth, the bringing down of an agricultural policy for the handling of the 1941 wheat crop. I am in agreement with the suggestion made by other hon. members in this and other opposition groups that it might be wise to have a higher initial payment on a limited quantity of wheat, and then lower the price to a fixed minimum, as the amount of wheat increased. In other words, allow the farmer to deliver his wheat at a graduated price. This would encourage the farmer to produce a certain quantity of wheat, but would not encourage him to overproduce.

I hope the government will give some consideration to this problem, because to ask the farmer to continue to produce wheat at a price which is admitted by the government itself as being inadequate is to ask western Canada to assume almost certain economic bankruptcy in the next few years.

I should like to close my remarks with just one more observation. If this war has done nothing else, it has given a new sense of dignity to the common man. Speaking over the radio the other day, J. B. Priestley said:

> It is not the British ruling class, which wobbled and whined for years until Herr Hitler was firmly established, that has aroused the admiration of the world, but the common people of Britain, who have come out of their sleep not only to defend such liberties as they already have but also to demand more liberty.

I think that is true. I think we have come more and more to appreciate the common man, the sailors who sail the sea and the people who work in our factories. We are beginning to realize the courage, the endurance and the high idealism of the man on the street. I think we all realize that this war cannot be won unless we have the support and enthusiasm of the common people.

Mr. CHURCH: How are we going to get that when the government refuses to give Christmas leave to the soldiers?

Mr. DOUGLAS (Weyburn): I am very much in sympathy with my hon. friend's recommendation for free transportation for the soldiers. I do not think the government could do anything which would go further toward raising the morale of the personnel of our fighting services than to carry out the recommendation of the hon. member for Broadview (Mr. Church). In the winning of this war morale is one of the all-important factors, and that morale can best be main-

tained by dealing with the very things I have mentioned—fair prices for the farmer, better working conditions for the common people, the rights of labour to organization and collective bargaining.

These are difficult days through which we are passing. I remember two years ago listening to a professor friend of mine in the city of Chicago who had spent some time with Doctor Charles Beard, the great American historian who wrote the "Rise of American Civilization." One night my friend said that he and another professor walked home with Doctor Beard and one of them asked him, "How long would it take you, Doctor Beard, to write and tell the world what you have learned from a lifelong study of history?" "I could do it," said Doctor Beard after thinking for a minute, "in three years." He walked along for a while and then said, "I could do it in three months." A few moments later he said, "I could do it in three days," and finally he said, "I could do it in four sentences." He wrote those four sentences down, and I pass them on to this house.

The first one was: "Whom the gods would destroy they first make mad." I ask the house to think to-night of some megalomaniacs who have plunged the world into war and bloodshed and tears.

His second sentence was: "The mills of the gods grind slowly, yet they grind exceeding small." I ask this house to think how the forces of righteousness and justice have triumphed down through the ages in spite of opposition and betrayal.

His third sentence was: "The bee fertilizes the flower that it robs." I ask this house to think of China to-night and of all the other countries that are being despoiled and robbed and which, even yet, out of their hour of tragedy, may find the dawn of a better day.

His fourth sentence was this: "Sometimes, if it is dark enough, you can see the stars." I submit that out of the darkness through which this country, in common with other parts of the world, is passing, we may see the stars, and two of those stars are the dignity of man and the worth of human brotherhood.

Mr. D. KING HAZEN (St. John-Albert): Mr. Speaker, the Prime Minister (Mr. Mackenzie King) has spoken of the earnestness of the Liberal government's war effort, and other ministers of the crown have told us of the rather slow growth of our armed forces, but no minister of the crown has told us whether the government has a policy of coordination of our war effort based on a strategic plan. I think the members of this house should be informed whether or not the government has a policy of coordination among the war departments responsible for the development of our army, navy and air force based on a strategic plan. If the government had no such policy, I would suggest that it give the matter its very earnest consideration.

We are now, I believe, in a position to take a clearer view of our military situation than we were when the house adjourned on August 7 last. The battle of Britain, or rather the first phase of that battle, has been fought and the attempt at invasion has for the time being been defeated. It must now be apparent to all of us that if this war is to be brought to a successful conclusion, it is of the utmost importance that we obtain superiority in the air. That is essential. Up to the present time I believe we have not obtained parity in the air, despite the wonderful achievements of our heroic air force.

The Right Hon. Winston Churchill, speaking in the British house on the 5th of this month, said that Great Britain was on the road to parity in the air. It will be noted that he did not say that we have achieved parity in the air. Then he added that superiority in the air was indispensable before we could gain victory. That being the situation, it seems to me that the government at the present time should direct its major effort to the development of our air force. The development of our air force should be given priority, and if any conflict of interest arises between the demands of our army, our navy and our air force, the government should insist that the requirements of the air force be given first consideration, that the department presided over by the Minister of National Defence for Air (Mr. Power) be given the right of way. I came across an extract from an article published recently in the Winnipeg *Free Press* which has some bearing on this matter, and I propose to read it to the house. I quote:

> Is Canada doing the right thing in spending almost two dollars on her army for every dollar spent on the air force? The big army school of thought seems to dominate our military thinking. Is it wise that this should be so? Has the government thoroughly thought out all the implications of our present war plan in relation to the broad needs for victory? Under what circumstances do they envisage the need to have a bigger army than air force? Is it for the defence of our own shores? Or is it to contribute the needed infantry and mechanized divisions for the land attack on the continent of Europe envisaged by General Crerar, our chief of staff, in a recent address?

When all is said and done, our material resources and our man-power are not unlimited, and ever-increasing demands are being made upon them. If these demands should result in any conflict of interest between the differ-

ent branches of our fighting forces, in my opinion the demands of the air force should have first consideration.

I am not unmindful of the importance of the services that have been and will be rendered by our army and navy, but I submit that at the present time our greatest effort should be directed to the development of our air force and that this effort should not be hindered by any demand by our army or by our navy.

I should like to draw the attention of the government to the waste that has been going on in the construction of military camps in New Brunswick. I believe some waste is going on in some of the other provinces. This matter was brought to the attention of the government by the leader of the opposition (Mr. Hanson) when he spoke in this debate, and I thought that the Minister of National Defence (Mr. Ralston), when he replied, treated that matter with less seriousness than it deserved. The day after I returned to Saint John on the adjournment of this house in August last, I was approached by a man whom I knew but slightly, the manager of a local insurance company, who told me that he had just got back from the camp at Sussex and that he was shocked at the waste that was going on there. His chief complaint was that the lumber which was going into those camps was planed on the four sides.

A day or two later I had a visit from a prominent farmer, a thoroughly practical man from Elgin, in Albert county. He told me that he had been to the camp and that the waste which was going on there was terrible. He said that the specifications required the lumber which went into the huts to be planed on four sides, and that this meant that after the lumber was manufactured in some mills it had to be loaded on trucks, carted away to other mills where it was planed, reloaded on trucks and brought back to the camp at Sussex. He told me also that the water system and the sewerage system for those huts were laid down in two different trenches, when, he said, one trench would have been sufficient.

I visited the camp at Sussex. The Minister of National Defence has told us that the camp, which consists, I believe, of 148 huts, is costing $1,800,000. While I am not a builder or a contractor, I could see no reason why the lumber which was going into the camps had to be planed on four sides, and I believe that thousands of dollars have been needlessly expended because of that requirement. The matter, I submit, should be investigated.

The Minister of National Defence told us in the course of his speech that he had obtained a very competent engineer and that this engineer, with certain officers from the quartermaster-general's branch, was going to visit practically all the camps for the purpose of making a comparison between the cost of the camps which were put up by contract and the cost of the camps which were put up by the engineering service of the army. I suggest to the minister that he employ a competent architect and a competent accountant to make an investigation, without any officers from the quartermaster-general's branch, for the purpose of ascertaining what waste has resulted from the unnecessarily high specifications which were called for by the army in relation to those huts.

I realize that waste in war time is unavoidable, on account of the haste with which work has to be done. But there should be no waste as a result of stupidity, and it seems to me that when the army calls for too high specifications in connection with the construction of huts which will be needed for only a comparatively short time, there should be a check-up and the practice should be stopped as soon as possible.

One of the unfortunate consequences of this extravagance is that many people visited these camps when they were in course of construction and saw the waste which was going on, and their reaction was: "The government tells us to save our money and invest it in war securities, but why should we lend our money to the government to be wasted in this manner?" That is one regrettable result of wasteful expenditures by governments in war time.

I thought it possible that this waste was confined to one or more camps in New Brunswick. But the hon. member for Yale (Mr. Stirling), who addressed this house the other day, spoke of the waste and political patronage which accompanied the erection of the camp at Vernon, British Columbia. We may be right in concluding that there has been waste in all the camps constructed throughout the dominion by the government for army purposes.

Another matter to which I should refer is political patronage. My information is that the practice still continues. I know that some members of the government—the war committee, I believe—issued last summer a statement to the effect that there was to be no more patronage in connection with war contracts. That was a very proper statement, and I believe that the ministers were sincere when they issued it, although I am not prepared to say that staunch party men,

such as they, are not apt at times to be influenced both consciously and unconsciously by political motives. But make no mistake about it, in spite of that statement political patronage has not ceased to exist. Political patronage continues. The political machine is very difficult to control, and it has not been controlled. The unfortunate result is that people in this country still speak of the effort we are making as a "Liberal war." That is much to be regretted, but until we have some form of union or national government, that opinion will continue to exist. I submit that it is a very strong argument for some form of union or national government, despite the fact that when it is brought about, the Prime Minister may run the risk of being "stabbed in the breast."

I had intended to speak this evening about free transportation for soldiers going on leave, but so many members have done so already, all of them being of opinion that soldiers going on leave should be given free transportation, that I will not elaborate on the matter. From what was said to-day, apparently the government cannot see its way clear to grant this concession, but I hope it will be able to reconsider its decision. If it cannot, I suggest that it give attention to reducing still further the price soldiers have to pay for their transportation; and if that cannot be done, at least let the government consider the desirability of arranging that, when soldiers go on leave, the paymasters of their units will give them advances, which can later be gradually repaid.

The only other point to which I wish to refer in connection with soldiers' leave is that the matter was brought to the attention of the house and the government last May by two hon. members who sit on this side, and the then Minister of National Defence, Mr. Rogers, promised it his consideration. But evidently nothing was done, and the only decision which has been arrived at, the one reached lately, is that soldiers are not to be given free transportation when they go on leave. I think that is very much to be regretted.

I intended also to bring to the attention of this house the suggestion of a further reduction in rates on letters and parcels which are sent to our soldiers overseas. But that matter has also been brought to the attention of the government in the course of this debate, and I will not enlarge upon it. I would urge that the government give the matter further consideration and that, if at all possible, a reduction be made in the postage on parcels that are sent to our soldiers overseas.

[Mr. Hazen.]

I would urge also that the government expedite the handling of mail both to and from these soldiers. I am under the impression, from my own experiences, that civilian mail to and from Great Britain is handled with greater expedition than the mail sent to our soldiers or the letters they send back to us. I understand that the government have this matter under investigation and I hope they will take such steps as will ensure that mail to and from the men overseas is delivered more promptly. It is a continuing source of uneasiness to parents, wives, children and, I fancy, to the soldiers themselves that mail is not delivered more promptly.

While I am on this subject I would suggest that the government see to it that the parcels which are sent to our soldiers overseas are given better protection and are delivered to the persons to whom they are addressed. Too many parcels disappear in the mail, not through any enemy action but from other causes. They do not reach the soldiers to whom they are addressed. Not long ago I received a letter from a private serving overseas in an infantry unit. In this letter, which is dated September 29, he says:

> I have not received a parcel yet and I know some were sent on August 1. We have had parcels sent from home, cigarettes especially, and have been here two months and none of us have received any cigarettes yet.

This matter was evidently preying on his mind, for later on in his letter he refers to it again. He says:

> I have not received a parcel yet and I know some were sent on August 1.

He continues:

> Here is a good chance for you to go to town on better protection for mail and parcels.

I do not know whether I am "going to town", but I do urge the government and particularly the Postmaster General (Mr. Mulock) to see to it that better protection is given parcels sent overseas to our soldiers.

I have discussed one phase of this letter; may I refer to it from another point of view. The hon. member for Weyburn (Mr. Douglas) this afternoon called attention to a certain excess of zeal that had developed under the defence of Canada regulations. He told us about a committee of three, representing the unemployed in Regina, having conferred with the relief committee and with the Regina council. One of the people on relief made a speech outlining to the council and the relief committee the feelings of the men who were on relief, and the result was that a charge was laid against him under the defence of Canada regulations. He was brought before

a magistrate and fined ten dollars. That is not what the defence of Canada regulations were intended for.

The other evening the hon. member for North Battleford (Mrs. Nielsen) told us how the provincial police of Saskatchewan had gone from house to house—I do not know what authority they could possibly have—collecting copies of a leaflet which had been distributed, and which contained a synopsis of a speech she had made on the budget in this house at the last session.

Freedom of speech and freedom of the press must be preserved in Canada. The defence of Canada regulations should not be taken advantage of and should not be carried out stupidly. Read any ordinary English newspaper like the *Daily Mail* and you will see from time to time the severe criticism that appears in it against the actions of the British government. Free speech is permitted in England, as this letter which I hold in my hand will show—I propose to read it into the record. It is written by a private serving in a Canadian infantry unit overseas. He is a married man, and before the war he made a living working longshore, driving a truck, doing whatever he could. Sometimes it was pretty hard to get a job, but he did the best he could to support his wife and family. He says:

> Was to London for a week-end and was in Hyde park all p.m. and until twelve then had to walk to Union Jack club in an air raid and sleep on the floor of the club.
>
> I believe we have talked of free speech in Hyde park and now I'd believe any story I heard of Hyde park. Can you imagine a country practically an armed camp yet a speaker with a red flag preaching communism unmolested, a Sinn Feiner from Ireland calling Churchill anything but a gentleman. A speaker freely admitting that he was a fifth columnist, and would be as long as capital crucified labour as at present. A speaker from the bureau of information, a woman on moral and sexual hygiene, and religious sects of all sorts . . . a Catholic priest. Then, the cream of the crop, an Abyssinian prince, educated at Oxford, he had about 3,000 people for an audience and kept them singing, laughing or crying, as he willed. He is often quoted in the press and referred to as "Prince Brotherly Love". He wears a colourful costume and turban, carries a union jack over one shoulder and a tricolour over the other, and he kept waving them at the other speakers and shouting "There's enough red in this flag for anyone". He told jokes that he made up himself. One of his remarks was "The best flag on earth, the sun never sets on it and wages never rise under it". Another was "Hitler says we are starving here, we're rationed on everything yet no one is hungry," then said he was dry and in a minute he had about a bushel of sweets and even a bottle of pop, then he says "and Hitler says we're starving".
>
> While this crowd were in one end of the park, bombs were dropping at the other end and no one moved away until midnight.
>
> I have met a lot of people who have moved out of London, homes lost, business men who have been ruined yet all are cheerful and determined that Britain must win.

In the speech from the throne we were told that the government intended to introduce measures at this session of the house "for the prosecution of the war to the utmost of our strength." What these measures are, we do not know. Although three weeks have passed, the order paper remains a blank. Apparently the government have no legislation ready for us. They are proceeding in this matter with the same lack of energy that they displayed during the first eight or nine months of the war. The powers that have been conferred on the government by the War Measures Act and the orders in council passed under its authority, together with the National Resources Mobilization Act passed at the last session of this house, have given the government almost dictatorial powers. The government have been given power to carry on this country's war effort "to the utmost of our strength", with one important qualification to which I shall refer in a moment. The government has been given power, to use the words of the Minister of Public Works (Mr. Cardin) in the eloquent and powerful speech he made in this house last June, the broadest blank cheque ever given to the executive of any parliament for the administration of public affairs and for the security of the nation.

What steps does the government propose to take under the great powers that it now possesses and has possessed for five or six months? How does it propose to organize our resources? To what extent does it propose to organize them? We have had only a limited and partial answer to these questions. We have not had a full answer. We do not know to-day how or to what extent the government proposes to mobilize the resources of this country under the great powers it now possesses.

We do know, however, that it is not the intention of the government to have conscription of man-power for the army or the navy or the air force for what we all realize to-day is Canada's first line of defence.

Mr. CHURCH: It is coming.

Mr. HAZEN: The Minister of National Defence (Mr. Ralston) said the other day that he stressed in July last that our first line of defence was the island fortress of Britain. But it is not the intention of the government to have conscription for our first

line of defence; it proposes only to have conscription in our own peaceful country and its territorial waters.

In a Canadian Press dispatch from Montreal of August 14 last the Minister of Justice (Mr. Lapointe) is reported to have said in a broadcast over the Canadian Broadcasting system that he recalled a radio address he gave in June in which he declared himself against conscription of man-power for overseas service, and added, "I repeat this evening, overseas service remains voluntary."

How the government, in the light of what has happened, can reconcile a policy of voluntary service overseas with the fact that our first line of defence is overseas and that if our first line of defence falls, we shall be in the greatest jeopardy, is something I have never been able to understand. It is lacking in logic; it is lacking in realism, foresight and energetic leadership.

We know that the government does not intend to mobilize the man-power of this country for service where it is most needed, in the actual theatre of war, but we do not know in any detail how it proposes to organize the resources of the country under the great powers that it possesses. Hon. members want to know and the country wants to know when, how and to what extent the government proposes to use the powers that have been given to it.

The hon. member for Selkirk (Mr. Thorson) in the excellent speech he made here some days ago in this debate said:

> Great Britain will need every possible assistance that we can give her and it is our solemn duty as a freedom loving nation to give her our maximum aid.
>
> For this reason we, as members of parliament and representatives of the people, will wish to know, not only what progress has been made with our war effort—and we are proud of its increasing momentum—but, what is perhaps even more important at this stage of our war effort, we will wish to be informed as to what has not yet been done and what must still be done. Are there any deficiencies in our war effort? If so, what are they and what steps can be taken to remedy them? Are we running short of efficient man power in our war industries? If so, what efforts are being made to train men for special purposes? Is our war effort being restricted in any manner by financial considerations? If so, in what respect and how can these restrictions be removed?

These are all pertinent questions, to which we should be given candid and detailed answers by the government. Soothing words of reassurance that would leave us with a false sense of security are not satisfactory; they are not good enough.

Furthermore, we are not satisfied with the information, verging on political propaganda, that is handed out week by week by the director of public information. We are told week after week that so many contracts totalling so many millions of dollars have been awarded by the Department of Munitions and Supply, and the contracts over $5,000 are listed. We are told also that so many construction contracts totalling so many more millions of dollars have been let. But we do not know in many instances, in fact in most instances, whether these contracts are being carried out, whether the orders are being filled, or what prices per unit are being paid for the goods bought. And we are never in these releases or anywhere else, as far as I know, told in any detail of any delays or difficulties that the government is experiencing in equipping our armed forces. By reading these releases that come to us from week to week we would be soothed into the happy frame of mind that the government has no difficulties and no problems. The policy adopted would appear to be that the idea must be created in the mind of the public that the political party that is carrying on this war is making a perfect job of it.

Mr. CHURCH: A fine way to fight Hitler!

Mr. HAZEN: That is a dangerous policy and a policy that should be changed. The government have not made and are not, by any means, making a perfect job of our war effort.

The Minister of National Defence told us in the course of his speech that statistics regarding the rate of production and delivery of various items in connection with our war effort should not be made public, because to do so would furnish the enemy with information which he might spend millions of dollars to obtain. Then, in reply to some pertinent questions by the leader of the opposition (Mr. Hanson), he said that no rifles will be manufactured until about the middle of July next, and that the production of 25-pounders will not be as early as expected but that a considerable number will be forthcoming in July, 1941. I am sure we all hope that these expectations will be realized, although the policy of better late than never is not a good one in war time. I am a little puzzled, however, as to why the minister should have furnished the house with this information, after telling us that the enemy should not be supplied with free information of this kind.

One subject upon which the Minister of National Defence did not touch during the course of his statement is the state of preparedness of our defences on the Atlantic and Pacific coasts. He did not tell us what steps, if any, had been taken to rebuild, modernize and improve those defences; nor did he tell us whether they are fully equipped

with coastal artillery, anti-aircraft guns and searchlight batteries. Whether he omitted this information by accident or design, I do not know, but these are matters of importance. I trust that the development and equipment of these defences have been carried out, and that they are now in proper order.

The minister informed us also that he expected to visit the United Kingdom before long, in order to consult with the authorities there on matters of common interest. I am sure we all hold the Minister of National Defence in the highest regard; we wish him a safe voyage, and we hope and expect that his visit to England will result in furthering the war effort of this country.

In the course of his able address during this debate the leader of the opposition referred to a paragraph in the speech from the throne delivered by the deputy of the governor general when parliament was prorogued on November 5. The paragraph to which he drew attention stated that the measures taken by parliament during the session which was then being brought to a conclusion, had in view the immediate task of sharing more completely in the defence of Britain and securing our own country more effectively against internal subversion and external attack. The leader of the opposition said that these words were significant in that for the first time in Canada since we entered the struggle first things had been put first, that for the first time the government had recognized that the defence of Britain came first, and he congratulated the Prime Minister (Mr. Mackenzie King) upon the words that had been used.

The Prime Minister, however, rather to my surprise, was critical of the remarks of the leader of the opposition. He said that he failed to see where the statement differed in any particular from the policy of the government as it was stated at the very outset of the war and as it had been followed since that time. He went on to quote from a broadcast he made on September 3, 1939, in which he said:

> On Friday last the government, speaking on behalf of the Canadian people, anounced that in the event of the United Kingdom becoming engaged in war in an effort to resist aggression, they would as soon as parliament meets seek its authority for effective cooperation by Canada at the side of Britain.

That, he said, was the government's statement of policy before Britain herself had gone to war, and it was the policy the government had pursued ever since.

Well, Mr. Speaker, the words "effective cooperation" may be construed in a variety of ways. To many people who heard that address the words "effective cooperation" may have meant defending our own shores and furnishing supplies to Britain, for which supplies we would be well paid; a merely perfunctory, safe and profitable cooperation. To others who listened to that address "effective cooperation" may have meant not only what I have just stated but also a moderate and voluntary effort, without any conscription whatever.

Mr. SPEAKER: Order. I am sorry to inform the hon. gentleman that his time has expired.

Some hon. MEMBERS: Go on.

Mr. HAZEN: May I just finish what I was saying?

Mr. SPEAKER: With the unanimous consent of the house.

Mr. HAZEN: "Effective cooperation," to others who heard that address, may have meant whole-hearted and energetic participation in the war, such as we saw in the war of 1914-18.

But in the broadcast of September 3, 1939, the Prime Minister did not explain just what he meant by those words, and it is probable that we shall not know what he meant until the correspondence that passed between Canada and Great Britain before we entered the war is tabled in this house. We have been told that this correspondence, important though it is, will not be made available to us at the present time.

Mr. SPEAKER: Do I understand that the hon. gentleman has unanimous consent to continue?

Some hon. MEMBERS: Go ahead.

Mr. HAZEN: I should like to complete the point I am making.

Mr. GOLDING: How many pages more?

Mr. HAZEN: You may not like it very much—

Mr. SPEAKER: If the hon. gentleman has unanimous consent, he may continue.

Some hon. MEMBERS: Go on.

Mr. SPEAKER: There appears to be a desire that the hon. gentleman should conclude the point he is making.

Mr. HAZEN: The Prime Minister has told us that his government has always followed the same policy, that it has always held the same position. If that is so; if there has been no change in his policy since September, 1939, all I can say is that many of the people who voted for him, aye, and some of the members who sit on his side of

the house to-day, failed to understand what he meant by that policy. For instance, last June, in this house the hon. member for Quebec-Montmorency (Mr. LaCroix) said:

. . . Mr. Speaker, I urge that we abide by the policy advocated by the Right Hon. William Lyon Mackenzie King during the last elections, namely a voluntary and reasonable measure of participation, without resorting in any way to conscription of man-power.

On the same occasion, speaking in the same debate, the hon. member for Laval-Two Mountains (Mr. Lacombe) said:

Mr. Speaker, I should be remiss in my duty if I failed to protest at once against the plan for mobilizing our man-power and wealth announced by the right hon. Prime Minister. This new policy is in glaring opposition to the electoral platform of the re-elected government. There was to be nothing but a moderate, voluntary and free war effort, we were told. I referred to that platform in this house on May 23 last. I was then speaking in defence of the Prime Minister, who was being harassed on all sides by the opposition.

The Prime Minister says that he has always pursued the same policy, but here is a member on his own side of the house who says that this is a new policy, and another who asks the Prime Minister to abide by the policy which he enunciated during the last election and says that this policy is in glaring opposition to the electoral platform of the re-elected government. All I can say is that these gentlemen all appear to be intelligent men, and it is unfortunate that there should be such a difference of opinion in connection with a policy which should be clear to all of us.

Mr. THOMAS FARQUHAR (Algoma East): Mr. Speaker, I wish to say just a few words. This debate on the address in reply to the speech from the throne is now drawing to a close, but before a vote is taken on the amendment moved by the leader of the opposition (Mr. Hanson) I should like to draw attention again to its wording. It says in part:

We respectfully submit to Your Excellency that this house regrets that the government has continued to soothe the Canadian people regarding the war effort of the nation, thereby creating a false sense of security when a clear-cut call to action is desperately needed.

When that amendment was moved by the leader of the opposition, I wondered what arguments would be brought forward by the members of the opposition in an effort to prove the truthfulness of the statements contained therein. I have listened to the debate in this house from day to day; I have read *Hansard* each day in order to make sure that I had overlooked nothing, and I ask any hon. member to show me where one argument has been brought forward which would prove in the slightest degree the truthfulness of the statement contained in the amendment moved by the leader of the opposition, that the government is continuing to soothe the people of Canada.

On the contrary, much has been said which would go to prove that the opposite is true. After listening to the statements made by the Prime Minister (Mr. Mackenzie King) and the ministers of the various departments, I feel sure that there is not a member of the opposition but believes in his heart that the statements made in the amendment are far from the truth. I would go even further and say that the leader of the opposition himself does not believe that those statements are true, and I am quite sure that the people of Canada do not believe them. Had the leader of the opposition the information which he now has, I am quite sure that he would not have moved the amendment.

It is not unusual for the leader of the opposition to make statements in and out of the house which put him in wrong with his own followers and which lower the prestige of the party which he represents. I am hoping that he is not making another mistake at this time. Notwithstanding all the misstatements which the leader of the opposition has made, I still have a great deal of respect for him. I also hold many of his followers in very high regard because they are splendid fellows. In the light of all the information which we now have; in the light of all the facts which the ministers of the various departments have given us, I am going to ask the leader of the opposition to reconsider the statements which he has made and withdraw his amendment. If the leader of the opposition is the man which I give him credit for being, he will rise in his seat and withdraw his amendment.

Mr. W. F. KUHL (Jasper-Edson): Mr. Speaker, at a time when there is so much sorrow abroad in the world one is somewhat less inclined to be critical of those who are in places of great responsibility. Some of the members on the government side have expressed sympathy for the ministers, suggesting that they have been doing a great deal of work. No doubt they have been busy, and a good deal of credit is due them for that, but if there is anyone in this country who should be sympathized with, who should be given credit, it is the common people. They have endured much during the past years of depression and yet have come forward quite willingly to make every sacrifice they have been called upon to make, indeed, they have made sacrifices which I

consider are absolutely unessential. Yet they have come forward to offer their services in a hundred and one different ways.

The ministers at least have security, even though they may have to work hard. Should they suffer ill health, they are able to secure the best medical attention, but that cannot be said of the people of Canada at large. As I said, in times like this one is inclined to be rather less critical, but when one sees an enemy within the gates getting away with murder at a time when the common people are in a life and death struggle with an external enemy, one would have to be made of stone not to cry out against the monstrous injustice which is being done.

The enemy within our gates to which I refer is the money power. I know there are those who scoff at the suggestion of the existence of a money power, but was it not the Prime Minister (Mr. Mackenzie King) himself who suggested in the campaign of 1935 that there was a money power? Was it not he who said that if he were elected to power he would do battle with the money power? If there is no money power, then the Prime Minister was deceiving the people. If there is a money power, then what happened in the battle? It is quite obvious that the battle never took place. The Liberal party pulled up the white flag before ever there was a battle.

I am inclined to believe that there is a money power. Every great leader who has attempted to do anything for his people has come into conflict with this monster of iniquity, the money power. We all know the conflict which Abraham Lincoln had with this money power, and how he paid with his own life. During the debate last year, I quoted some statements of Abraham Lincoln, where he said that he was fighting two enemies, and I should like to refer to them again. I believe that is the position in which the common people of Canada find themselves. They have not only an external enemy but an internal one as well. Abraham Lincoln in the American civil war is reported to have said:

> I have two great enemies, the southern army in front of me and the financial institutions in the rear. Of the two the one in the rear is my greatest foe.

I am sure no one will suggest that Abraham Lincoln did not know what he was talking about. There is a money power at work in this country of ours, gnawing at the very vitals of this nation. There is in Canada an internal dictatorship just as diabolically wicked as the one with which we in the empire are in armed conflict. The people of Alberta have sent the Social Credit members to this parliament because they have come to the conclusion, not only as a result of studies they have made but from actual experience, that there is a money power, and they have sent us here to do all in our power to fight this money power.

I wish also to say that the people who have sent the Social Credit members here are just as loyal citizens of Canada as any other people who send Liberal or Conservative members or members of any other party to this house. In fact I am quite persuaded that if the Canadian people were permitted to know the truth about money, banks and banking, a much larger number of social crediters, or at least of those who support monetary reform, would be sent to this house. But the sad fact of the situation is that the common people are prevented from getting the truth about money and about banks and banking. Millions are used by the bankers to defeat monetary reformers, to confuse the thinking of the people and deceive them into believing that which is not true.

We Social Credit members here intend to fight this money power as long as there is breath in our bodies. We are criticized quite frequently as being cranks on the subject of money and for talking about nothing but money. I suggest to the house that there is no more important subject that parliament could discuss than money. Every solitary thing that is discussed in this house hinges on money. Listen to any and every member talk and you will conclude that there is only one thing lacking, and that is a proper monetary policy. Every member, whether he is discussing war or peace problems of this country, admits or implies that the physical requirements are here to solve almost any problem. There are, of course, limitations in endeavouring to supply war equipment, but generally speaking every member admits or implies by what he says that physically there is nothing lacking, thereby implying that the only thing that is lacking is a proper financial policy. Consequently I do not think we are out of order in harping on the subject of money in season and out as long as we are here. In that connection I should like to quote a passage from Arthur Kitson in which he points out the enormous importance of the subject of money. He says:

> The money question is the greatest moral and social question which mankind has ever had to consider. It concerns the lives, fortunes and happiness of every human being in society and of generations yet unborn. All other questions sink into insignificance compared with this one.

I agree with that statement one hundred per cent.

The hon. member for St. Antoine-Westmount (Mr. Abbott) in speaking the other

day—and no doubt he was making his remarks particularly for the benefit of members of the Social Credit group—said: "War machines are not created by money." That was just another sample of the straw men set up by those who try to refute the Social Credit argument. Then they knock down the straw man under the pretence that they are destroying the Social Credit argument. The hon. member cannot point to a single instance of a member of this group ever suggesting that money created things. No one ever said that money could create war machines. I do not say it, and none of our group ever said it. But what we do contend is that without money, war machines cannot be built. There is nothing that can be manufactured except through the use of money. In the days of barter when goods were traded for goods it was possible, but in the complex modern age in which we live money is absolutely essential, and without money, even though you have the men and the materials, you cannot bring them together to produce the things that are required. I do not think that can be controverted.

The money system, whatever we use for money to-day, is the heart, the blood, the most vital organ in our national economy. Without it our national life would be paralyzed. It is absolutely impossible to produce things in this modern world without having at one's command an adequate system of money.

I should like to ask those who suggest that money is not our trouble, why have we idle resources and idle men even to-day if there is a need for materials and for skilled men? Many members of the house have indicated in their addresses that there are many skilled workmen and skilled graduates of our youth training schools who are now out of employment. I am sure that every member has correspondence almost every day from people who desire work of one kind or another. If there are idle labour and idle materials; if we still have resources which are not being worked, why are they not being worked if the trouble is not a lack of money? Why is not the idle labour put to work on the idle resources? If factories are running to capacity, why are not men put to work enlarging the factories and plant equipment? If there should ever be a time when we run short of labour, skilled or unskilled, is it not a simple matter to obtain many men from the unemployed ranks in the United States? There are as many people in the ranks of the unemployed over there as there are people in the whole of Canada.

I wish again to emphasize that the one thing lacking in our national economy is an adequate money system. Day after day we have been listening to hon. members pleading with the government to grant soldiers free transportation on their Christmas leave. Why do the government say that they cannot do this? Is it because there is not accommodation in the railway cars? Is it because we have not enough engines or adequate railway equipment? Everyone knows that is not the situation. Trains are running up and down this country half-empty, and if there are not enough cars, why cannot more be manufactured? It is purely and simply a question of finance. What prevents our soldiers from getting free transportation home for Christmas is a financial, not a physical problem. I think it is a shame that young men who are placing their lives in jeopardy for this country should be treated in such a fashion. It is a question of money.

Consider any question which is raised in this house. Take, for instance the provision of storage for wheat. Surely one must concede upon the slightest reflection that that is purely a financial question. Are we without storage facilities because we lack lumber, or labour to produce the lumber, or cement to build storage? We are not lacking in anything physical. Then, why have we all these unemployed, these unused resources, this overripe timber? Every problem connected with this matter of the handling of grain is financial and nothing else.

Or take any other of the numerous agricultural problems which have been discussed in this chamber. I hear our Conservative friends from Ontario constantly bemoaning the fact that vegetables and fruit are admitted from across the border in competition with produce which is raised in their province. Again, is it not a question of finance? There are in this country hundreds of thousands of people who would like to supplement their diet with more vegetables, fruit, fish and poultry. We are doing a great deal of high-pressure advertising. The government tries by these advertisements to induce people to eat more apples, more lobsters, more fish. The government does not have to tell people what to eat. All that is wrong is that they have not the money to pay for these commodities. If the government sees to it that the financial system enables the people to make their demand effective, it will not need to carry on all this high-pressure advertising; it is just a waste of time, energy, and material.

The problem of the maritime provinces resolves itself into one of finance. People in the interior of Canada would like to have the products of the fishermen. They are not using them, not because they do not desire

to eat fish or because they do not know about it, but because their purchasing power does not permit them to buy these products.

The people of the prairie provinces would like to have the fruits of British Columbia, and British Columbia wants the grain of the prairie provinces. Why do they not exchange the one for the other? Not on account of physical handicaps; for railway trains are operating every day, many times with empty cars, going from one province to another. There are no physical limitations; the question resolves itself into one of finance and nothing else.

Or consider the question of allowances to the widows and dependents of war veterans. Why should these people not have complete economic security? Have we not sufficient of the amenities of life; have we not the physical resources to take care of these people? No one will deny that we have.

Again, the matter of taking care of those who are not able to take care of themselves resolves itself into a question of finance. The same is true of old age pensions. Certainly we have enough food, clothing and material to maintain and house our aged people. The physical requirements are here; we have every essential to make them comfortable and happy during the sunset days of their lives. It is a question of an adequate financial policy—nothing else.

Consider the health standards of our people. One of the best contributions Canada can make to the war effort of the empire is to put its people in the best physical and mental health that is humanly possible. It is not being done. Why? Because the medical facilities are not there? No. There are plenty of doctors who have not sufficient practice; there are ample hospital facilities and all kinds of services to promote the health of the people; there are plenty of foodstuffs to provide them with diets which will build healthy bodies. The question of the health of the people of Canada is a question of finance—nothing else.

One could go on and enumerate every problem which has been raised by any hon. member in this house; when boiled down to its final essence, each one is a matter of finance and nothing else.

I suggest that the financial problem should not be difficult of solution. If our financial system to-day were dependent upon the minting and circulation of gold as a medium of exchange, we might be confronted with an impossible physical problem. Probably there would not be enough gold. But our money system to-day is simplicity itself. It is nothing more or less than a simple bookkeeping system. Ninety-five per cent of our money is nothing but drops of ink on pieces of paper—the simplest commodities in the world to obtain. This is the most easily operated, most easily controlled and most perfect money system that the mind of man has ever devised. It is almost costless to operate. It is purely bookkeeping. The great and palatial structures which are erected all over this dominion as bank buildings are quite unessential. The amount of materials consumed in administering the financial policy of this country is almost negligible.

Since the financial system in itself is so simple, why should it be so difficult to solve our financial problems? The evils of our financial system lie not in the system itself, but in the method under which it is operated, in the policy which is pursued. Although it is an almost perfect system, the most perfect which has ever been devised, it is one of the most ill-managed and ill-conducted; so much so that, though this Canada of ours, with its sparse population and enormous resources, makes us, physically speaking, millionaires, we have been brought to the verge of bankruptcy, financially speaking only, because of the mismanagement of the money system.

From its very inception the money system of Canada and of every other democratic country has not functioned as it should have done. The purpose of a financial system, as I see it, is to reflect the desire and the ability of the people of a nation to produce and to consume, and if it is not doing that, it is not performing its function. So long as there are idle resources and idle men, the financial system is not reflecting the ability of a country to produce. So long as there is abundance, if not actual, then potential, of goods and services on the one hand, and poverty and destitution on the other, the financial system is not reflecting the ability and the desire of the people to consume. And so long as there are any physical possibilities—I do not care which you wish to name—which are not being realized, the financial policy is not functioning as it should.

Why is it not functioning as it should? I consider that the right to create, issue and put into circulation in the first instance every single, solitary dollar and cent in the country is a crown prerogative. All money that is issued in a nation should be issued by the state. That is the most sacred of all crown prerogatives. But there are members of this house and people outside the house who state that it is not only undesirable but dangerous for the state to issue money, although the exact converse of that is the truth. The state should be the only authority within a nation to create and put into circulation all the money of the nation.

Abraham Lincoln made a statesmanlike utterance on this question of the state issue of money and the prerogative of the crown. He said:

> Money is the creature of law, and the creation of the original issue of money should be maintained as an exclusive monopoly of the national government. Such needs can be served by issuing national currency and credit through the operation of a national banking system. The government should create, issue and circulate all the currency and credit needed to satisfy the spending power of the government and the buying power of consumers. The privilege of creating and issuing money is not only the supreme prerogative of the government but it is the government's greatest creative opportunity.

Will anyone deny that that is as it should be? Yet there are in this house men, including the Minister of Finance (Mr. Ilsley), if not stating straightforwardly, at any rate certainly implying that it is not only unwise but dangerous for the state to issue money. I regard that as one of the most shocking circumstances in a democratic country. The state should be creating and issuing every cent of the money of this nation, but we are being told that it is unwise and dangerous to do this. This sacred prerogative of the crown, the most sacred prerogative that the crown can exercise, has been given piecemeal over a period of time to a private monopoly, and this has been carried to the point where parliament to-day has been relegated to the position of merely a pawnbroker for the private money monopoly. That is the position which the government occupies to-day.

In my opinion every person, I care not how high his position may be, or what office he may occupy, who has contributed to this state of affairs and who insists that it should be perpetuated, ought to be tried for high treason —and I mean that. I consider that giving away into the hands of a private monopoly the most sacred prerogative the crown can possess is one of the most heinous crimes that any individual or group of individuals can be guilty of, and in my opinion those persons who have been guilty of this act, regardless of who they may be, are as traitorous as any fifth columnist can be considered.

I should like to support what I have just said by a quotation from a book published by C. Barclay-Smith, entitled "Victory without Debt." He is an Australian and I recommend this book to every member of the house. Everyone should read it not only once but a hundred times; he would be a better man after reading it. At page 34 the writer says:

> When public trustees—that is, the parliament of the nation—finance government requirements by pawning the assets of the country and the future security of the people to the private credit monopoly, thus lowering the tenor of life of every citizen, so far from calling that kind of thing sound finance I prefer to give it its proper name—high treason.

As I have already suggested, the first reason why the financial system in Canada, the policy that is being pursued, does not do what it ought to do is the fact that the crown prerogative is exercised by a private monopoly; and the first thing that should be done is to restore to parliament and to the people of Canada this sacred prerogative. The people of Canada were led to believe that this is what the Liberal party would do if they were elected in 1935. I am quite satisfied that this is the reason why the Liberal party was elected with the majority it received in 1935. The people believed that it would restore to parliament the sacred prerogative of issuing and putting into circulation the medium of exchange. But this was not done. Why? St. James Street probably shouted "boo," and the Liberal party wilted.

I would say the second reason is that the financial policy which is in vogue in Canada does not permit what is physically possible becoming financially possible, for the reason that all money which is issued to-day originates as a debt to the banking institutions. Consequently, anyone who uses bank money—and everyone and every institution must use it—becomes perpetually in debt to the banking institutions. A debt is incurred which can never be paid. Some individuals can pay, but the nation as a whole can never get out of debt to the banking institutions, because it owes more than there is in the community with which to pay back the debt, and that is the reason why public debts, national debts, are never paid off.

Mr. JOHNSTON (Bow River): If they paid it back, the banks would go broke.

Mr. KUHL: Money should be created and issued in such fashion that the repayment of a debt is made a mathematical possibility. Under the present system and policy it is not. And the fact that the debts continually increase is sufficient evidence of that.

Another evil which the present policy works is that it obliges the people to pay for things not only once but twice, thrice and many more times. For instance, in public works, a project is completed, a bridge, for example, is built. The community as a whole provides everything physically needed to build that bridge, the community provides all the labour and all the material, and when that bridge is built it is actually paid for. But under the present system of financing, it is not paid for, possibly for a hundred

years afterwards. Financially it is paid for several times over. Physically it was paid for when it was completed.

That principle holds true in connection with war. Why should we be paying for the 1914-18 war to-day, if blood and sweat and tears constitute the only cost of a war? All the physical essentials of the 1914-18 war were met at that time, and that war was fully paid for when the war was concluded. And that holds true of the present war. The Minister of Finance has informed us that this war is being paid for as it progresses. Well, that is true; a war is paid for as it progresses. In blood, sweat and tears the cost of a war is provided from day to day as the war progresses. If that is the situation, I want to be told why there should be a debt remaining after the war is over? Why are we told after the war is over that we still have to pay for the war, if the war is being paid for while it is in progress? I should like to hear a discussion with regard to that angle.

The minister says that the government is pursuing a pay-as-you-go policy. I would call it, pay as you go now and after it is over and until you die, and your children and your grandchildren and your great grandchildren continue to pay. That is the kind of policy the government is pursuing; it is not a pay-as-you-go policy, it is a pay-a-hundred-times-as-you-go policy.

The hon. member for St. Lawrence-St. George (Mr. Claxton), in moving the address in reply, stated that Canadians will be obliged to deprive themselves until it hurts. Well, we in this corner agree to that; if sacrifices are necessary, they must be made. But because of the iniquities of the financial policy which is now being pursued, we are called upon for sacrifices which are unnecessary, and unnecessary sacrifices are iniquities.

We contend that it is possible for this country and the empire to have victory without debt. If we are paying for the war as it progresses, that can be true in a financial sense as well as in a real sense. The only cost involved in financing the war is a matter of bookkeeping, of setting up the appropriate system and conducting it while the war is in progress. All that is involved is the services of clerks and the consumption of ink and paper; outside of that there is no expense. If the cost of banking and the real costs are met during the war, we want to be told why there need be a debt after the war.

I had intended to deal with that question a little further but I see my time is gone. I should like to say something on another question which, however, in a way is related to this. I want to say a few words regarding implementation of the recommendations of the Sirois report. Most hon. members are aware that I have interested myself particularly in Canada's constitutional question; I have spoken on it several times in this house—

Mr. DEPUTY SPEAKER: I have to inform the hon. member that his time has expired. Unless he has the unanimous consent of the house to continue, he will have to resume his seat.

Mr. KUHL: If I could have about two minutes I could state my point of view.

Some hon. MEMBERS: Go on.

Mr. KUHL: In connection with the implementation of this report I am quite in accord with the idea that we must have constitutional alterations in Canada; I have so expressed myself on several occasions. I am satisfied that such alterations are long overdue. But I frankly confess that I do not agree with the method employed, this dominion-provincial conference, to settle such a major question. The Prime Minister has represented himself in this house on many occasions as a great protagonist of democracy, but in my opinion this action to which he is resorting in an endeavour to solve a constitutional difficulty is a negation and repudiation of everything he has said on the question of democracy.

I believe the best advice that has been given to us as to the most democratic manner in which to settle this question is that given by the clerk of this house, Doctor Beauchesne, and I recommend it to every hon. member and to every province of Canada. Personally I feel that there is more democracy in one page of Doctor Beauchesne's evidence than in the whole Sirois recommendations.

I would call the Prime Minister's way of attempted settlement of the constitutional difficulty a hole-in-the-corner business, getting the premiers of the provinces or one or two representatives from each province together with the dominion cabinet, is in my view, not the way to settle such an important question. This question involves the whole people of Canada, and they should be consulted. I do not think any premier or any representative of a provincial government, without first getting authority from the people through a plebiscite, has any moral or legal right to come to any agreement as to alteration of the constitutional position in Canada. No provincial government, regardless of what majority they have, in my opinion have any

authority from their people to act on this question. If it is going to be done in a democratic fashion the people of each province should first be consulted before any action is taken.

I shall quote a sentence or two of Doctor Beauchesne's suggestion, and leave it at that. I agree entirely with it. Doctor Beauchesne has suggested that this all-important question should be dealt with not by a few individuals but by a constituent assembly. On page 126 of the report of the special committee on the British North America Act he is reported as saying:

> I, therefore, beg to suggest an imposing constituent assembly formed of eminent men coming from all parts of Canada. Provincial conferences, attended by a few ministers meeting behind closed doors, would hardly satisfy public opinion. The debate should be published.

I believe that should be the case in connection with the consideration of this question. He continues:

> I submit that a constituent assembly, chosen by the provincial legislatures and by the House of Commons, representing the main political parties and groups in proportion to the votes given at the last general elections, should meet in session at Winnipeg and discuss the situation from all its angles.

Then on page 128 this suggestion is made:

> The assembly should be convened by provincial proclamations issued in each province and by a dominion proclamation in which it would be clearly stated that the minority rights now guaranteed by the British North America Act should not even be discussed.
>
> In choosing the delegates to this constituent assembly, due regard should be given to the representation of all classes. Business men, farmers, professional men, scholars and labour men should be represented. Although the dominion would send an important delegation, the assembly should not be a dominion assembly, but rather an assembly of the provinces' representatives in consultation with the dominion.
>
> There ought to be no government side and no official opposition in such a body, which should work on the lines of coalition. A committee consisting of the premiers and leaders of the opposition in the House of Commons and legislatures would have charge of the agenda and daily order of business which, under ordinary rules, could be adjusted daily by experienced parliamentary clerks. Speeches ought to be recorded by *Hansard*.

Then there is this last paragraph:

> I would suggest that the assembly do not sit in Ottawa, in order that it may not have the appearance of being dominated, or even influenced, by the dominion power; and, as the western provinces are of such paramount importance in the country, I suggest the best city for the representatives to gather in would be Winnipeg.

I am heartily in accord with these suggestions. I should like to elaborate on them a good deal more, but I have exhausted my time. I recommend a study of these suggestions to all members of this house and of the provincial legislatures. I believe it is only in some manner such as this that this great and all-important question can be settled in the best interests of the people of Canada.

Mr. HECTOR AUTHIER (Chapleau): Mr. Speaker, in the course of the debate now drawing to its conclusion, many interesting things have been said. The mover of the address in reply to the speech from the throne, the hon. member for St. Lawrence-St. George (Mr. Claxton), and the seconder, the hon. member for Provencher (Mr. Jutras), led the way on the first day with remarkable eloquence.

The government asks for our support in its war policy. The leader of the opposition replies that this policy is only a catch, that the war effort is insufficient and ill-managed, and he invites us to censure the government accordingly. He adds that the government is also deserving of blame for having not given more help to the farmers of Canada.

The leader of the new democracy party has found another reason for blaming the government: he wants to have Canada pay its war costs in social credit money. Let us examine his subamendment, which will be voted upon first. We have just listened to a speech advocating his theory. The money constantly recommended by hon. members in the far corner would simply consist of non-interest-bearing dominion notes printed and circulated in practically unlimited quantities. Were this method feasible, the task of the Minister of Finance would be wonderfully simple. He would no longer have to find lenders nor to levy revenue to pay the thirty or forty million dollars of interest required for each billion dollars spent for war purposes. That would remove a very heavy burden from the shoulders of the taxpayers. Alas! systems that are too simple are not always the best, because they omit too many essential factors. Our national economy is necessarily conditioned by our trade relations with other countries, and we have to protect the value of our money abroad as well as at home.

At no time have our exports and imports reached their present high level. How could we, at this time, be rash enough to forsake the doctrine that is generally accepted in Great Britain and the United States as regards the issue of money? Never in our life as a nation have we been less justified than we are now in attempting risky experiments with money. Let us first win the war, after which we can discuss whatever experiments it might be advisable for us to try, if we are not satisfied with the monetary system then in use.

Winning the war must be our chief concern, for let us not forget for a moment that defeat would bring about the direst consequences for Canada and the world. But, God willing, Great Britain and her sister and allied nations shall not be vanquished.

The leader of the opposition is quite unjustified in suggesting that the government of Canada have not done their duty—their full duty—and that they are merely soothing the Canadian people. One after the other, the ministers of national defence have stated to this house the activities of their departments. What criticism have the honourable members who sit on the opposition side been able to voice? A very weak one. We have been told by the Minister of Finance (Mr. Ilsley) that we are spending daily three million dollars for our war effort, which is all we can afford to spend. No one has shown that those funds have not on the whole been wisely used or that there was any dishonesty in that regard. Of course, some criticism on matters of detail may have been justified, but, on the whole, necessary war expenditures have been made quite properly. I know that the government have been upbraided by some overenthusiastic members for not having sent to Europe a larger number of soldiers. Those who followed a course so obviously wrong during the last war would like to-day—in order to enhance the interests of their party—to see this government follow their example and take the road leading to conscription. We have heard to-night a speech partly devoted to the expression of such ideas. No, we are not going to make such a mistake this time. Canada shall not send overseas more men than are necessary. The British ambassador in the United States, Lord Lothian, has just stated publicly that his country had no need of reinforcements. "England definitely does not need men," he said on his arrival at New York from London. I have read that statement in the New York *Times* of last Sunday. Such a statement makes it unnecessary for us to look for any further rebuttal of the Conservative argument on that point.

The leader of the opposition was more fortunate in the choice of his second point, for there is indeed much unrest among the farmers in this country. However, he is wrong in suggesting that the government have done nothing to lessen it. To the members from western Canada who never cease to demand more help for the western farmers, the Minister of Agriculture (Mr. Gardiner) easily showed that no government has ever done so much for the farmers in the prairies. I have no wish to criticize him for the help so given. Besides he did good work for the producers of the whole country during his recent trip to Great Britain. But I would ask him to do still more for eastern farmers. I confess that we have in the province of Quebec a great many farmers whose plight is pitiful. Surely there ought to be some way of helping them. I wish to associate myself with those who have asked that these farmers be supplied at a low cost with western grain and grain products so that they may feed their cattle and produce meat more profitably. The freight rates on wheat and grain for consumption in eastern Canada should not be higher than the export rates. Such a policy would be equally fair to western and eastern Canada. Why not use the transcontinental railway from Winnipeg to Quebec, Montreal and Moncton, for the purpose that those who planned and built it had in mind?

As I said, a large number of farmers in the province of Quebec are in a sorry plight. There are, I believe, 50,000 or 60,000 settlers and farmers in Quebec who cannot obtain from their land sufficient income to provide their families with proper food, clothing and education. They are compelled to seek additional sources of income elsewhere, in the forests, the mines, the fisheries and many other occupations. Young men leave the farm at an early age to seek work in the cities where they find themselves out of place and frequently out of employment.

What are the remedies? As it would take too long to go into the question in detail, I shall confine myself to generalities. A more practical and widespread system of agricultural instruction should be adopted and enforced, and more capital should be placed at the disposal of farmers capable of making profitable use of it. The dominion farm loan scheme did not produce the results it should have produced. It could be made more liberal and efficient. The progress of agriculture in the province of Quebec is a question both of education and of finance. Advance will be slow, but that is all the more reason for immediate action. While awaiting the results of a general policy, palliatives could be used, as they were used in western Canada. Why should there not be a minimum price for butter and cheese as there is for wheat? Farmers who sold their butter for 22 cents a pound all through the summer usually discover that its price to the consumer rises 25 per cent and even 35 per cent at the end of the season, as it did this fall.

I am simply suggesting that the government set a minimum price for butter, as has been done in the case of wheat, and ensure its delivery throughout the country without any excessive profits going to the middlemen.

It would also be necessary to consider the setting of a reasonable price for all pulpwood cut by farmers on their own land. To a great number of our settlers and would-be farmers, the sale of such wood is the only available means of livelihood. The central authority could certainly do its share in assisting them by exerting a certain pressure on our railroads whose shipping rates on this product are often much too high. Should these measures require the cooperation of the provincial governments, it will be forthcoming. The premier of Quebec is not only a great orator, but also a very intelligent farmer, as everyone knows. He can be counted on to do his share. If the Minister of Agriculture were to accept my suggestions, he could then boast that never before has a government done as much, not only for the western farmer but for the eastern farmer as well. Our agricultural class needs and is worthy of his assistance. Once again, I know its recovery will take time and effort and a great deal of patience. Like colonization, it is apparently a deceptive undertaking because of the ceaseless difficulties and delays to be encountered, but it is a task that must nevertheless be accomplished since it is essential to maintaining a correct balance between city and country, as well as to the morale of our people and the future greatness of Canada.

I intend to vote against the opposition leader's amendment for two reasons: firstly, his leading premise is evidently without foundation and, secondly, he has suggested no remedy for the agricultural distress he mentions.

I shall continue to have faith in the statesmen who now govern this country, particularly the right hon. prime minister (Mr. Mackenzie King), who has ever shown throughout his long career a deep understanding of the realities of Canadian politics, inspired in all circumstances by a true Canadian patriotism and a great sense of social justice. Under his guidance, the administration will, I trust, take all steps required to improve the lot of our people, that of the good and the humble to whom the prime minister alluded in concluding his first address this session. The performance of this task will in no way hinder their furnishing to Great Britain the fullest measure of assistance we have promised her in this war which she is fighting so valorously and from which she will emerge triumphant and glorious.

Mr. A. H. BENCE (Saskatoon City): Mr. Speaker, upon rising to speak in this house for the first time I should like to take this opportunity of paying a tribute to my immediate predecessor from the city of Saskatoon. The late Reverend W. G. Brown was a man of the very highest character and ability, and one who was affectionately regarded by all those with whom he came in contact, regardless of their political affiliations. He came to this house from no selfish motive, for no reasons of self-advancement, but purely for the purpose of speaking on behalf of those people for whom he had laboured all the days of his life, men and women in destitute and necessitous circumstances. His passing was a great blow to the city from which I come and to this country which he loved so well.

This evening I wish to discuss two matters relating to western economy. I am not a farmer and I do not have that detailed knowledge of farming which can be acquired only by those actually engaged in that occupation, but I did spend some part of my youth on the farm. I am also a resident of the city of Saskatoon, which is the hub of the greatest hard wheat growing country in the world, and I know how vital the production and sale of our wheat are not only to the farmers themselves but to those residing in cities such as the one from which I come. I know how very much concerned we are in the west over the situation that exists out there at the present time. Only a very small fringe of the population of my city is actually engaged in farming, some 1,500 out of about 43,000 people, but every man and woman in my constituency is materially interested either directly or indirectly in agriculture and particularly in wheat and the price of it. The whole economy of my constituency, indeed of my province, depends upon the production of wheat and the money that is obtained for it.

It is bad enough to have to exist in an economy that is dependent upon a price of 70 cents for No. 1 northern at Fort William, which means about 52 cents in my district. That is a price which it is generally conceded is not sufficient to keep the farmer on the land as an efficient producer. I was pleased indeed, as I am sure many other members were, to hear the Minister of Agriculture (Mr. Gardiner) make that admission the other day when he stated in the house:

> It is generally admitted that 70 cents advance at Fort William, which nets the farmer about 50 cents a bushel, does not cover his total costs of production and therefore does not maintain him as a contented producer.

I like those words, "contented producer," because I am convinced that you cannot have an efficient producer unless you have one that is at least reasonably contented. May I

express the hope that the hon. Minister of Agriculture will continue to impress that fact upon the house and upon the government of which he is a member?

It is bad enough, as I have said, to have to exist in an economy based on wheat at that price, but it is a very sorry situation indeed when we cannot obtain even that amount of money for our product. I have been listening and watching carefully to learn what statements would be made by the government in connection with an advance on wheat stored on the farm. The two ministers who were mainly concerned with this matter after the house adjourned last August, the Minister of Agriculture and the Minister of Trade and Commerce (Mr. MacKinnon), have both addressed the house within the last week or so. The Minister of Agriculture had nothing to say about an advance on wheat stored on the farm, and the Minister of Trade and Commerce very little indeed. He contented himself, as I recall it, with stating that because the banks felt it was not a good risk, the government had to drop the matter.

The opinion was general throughout this land last August and September that the question of making an advance payment on wheat stored on the farm had already been settled. Indeed, some of us were taken to task because it was claimed that we were insisting upon something being considered which had already been decided upon. In proof of that fact I should like to quote briefly from an editorial in the Saskatoon *Star-Phoenix* of August 31, 1940, as follows:

> There has been a great deal of ineffective talk about the problem, a considerable effort to make use of it for political purposes and considerable demanding of things already assured.
>
> Thus, it is tremendously important that advances be made on the wheat left on farms. That has been recognized by everyone concerned from the start. It requires no emphasis. But away back in July Ottawa had already made the decision to make such advances. Several ministers announced it in the House of Commons and have repeated it since. Yet a vast amount of energy has been used up demanding that which was already decided.

That this feeling was not restricted to Saskatoon and to Saskatchewan is evidenced by a statement appearing in *Canadian Finance* of September 18, 1940, from which I quote as follows:

> But there have been definite statements from Ottawa that money is to be advanced to farmers on grain held in farm storage and it is generally assumed that the advances will be handled by the wheat board.

In addition to that, the Minister of Trade and Commerce on several occasions indicated most strongly that an advance would be made and that the only question was as to the exact method of working it out. As a result of the statements that were made and of the impression at least that was given, credit was granted in many cases by the merchants, but in many other instances that was impossible because the many years of drought and low prices had left the merchants of Saskatchewan in a position where they could not advance the credit they would like to have done.

I have received a letter written on behalf of the fuel merchants of western Canada pointing out to me that there were many farmers who would be in need of the delivery of coal but who could not purchase it because all the money they had received from the sale of their quota was required to pay immediate expenses—and that was after the quota had been raised to its present level. I quote from that letter, dated September 27, 1940, as follows:

> In the past it has been the practice for a farmer to bring in a load of grain and take out a load of coal—taking delivery from the car and thus saving unloading expense and perhaps getting a better quality of coal; this year, however, he has to utilize the money received from the little grain he can sell for payment of current expenses and this leaves him with little or nothing with which to purchase his fuel requirements. Cold weather will soon be upon us and these people will be looking for fuel; in nine cases out of ten the farmer will have utilized his full quota and he will, therefore, be unable to follow the practice of former years—that of selling wheat and taking out coal—and there are no coal dealers in western Canada prepared to sell fuel to the farmer without money, as their experience in this connection has been too sad over the past years.

Because of the fact that advances were not made a great deal of hardship resulted not only for the farmers but for merchants both rural and urban, and a trade paralysis resulted which never should have been allowed to arise.

The history of what happened after parliament adjourned last August would appear to be that the Minister of Trade and Commerce stayed in Ottawa for several weeks after the date he had intended to go on his holidays, to give this matter the grave consideration which it deserved. He received representations from all parts of western Canada—the prairies in any event—and the Bracken committee was called together, under the convenership of Premier John Bracken of Manitoba, and had a conference with the government and the wheat board. But the result of these representations and of the conference was a very sad one indeed as far as the western farmers and western merchants generally were concerned.

I believe that we should have from the Minister of Trade and Commerce a fuller

statement than was given to this house by him the other day, and that he should tell us exactly what happened in this regard. It would appear from Canadian Press dispatches and other newspaper reports, and it was confirmed in part by the minister the other day, that the plan for an advance was cut short, and that one of the main reasons was that the banks were not prepared to make the advances under the guarantee offered by the government through the wheat board. In a Canadian Press dispatch from Edmonton dated September 16, the Minister of Trade and Commerce was quoted as having stated that the wheat committee was ready to go ahead with a plan for advances on wheat stored on farms, under a scheme similar to the home improvement plan, but that the banks were not prepared to accede to this proposition. What I should like to know, and what I believe many of the people of this country would like to know, is, exactly what took place between the wheat committee, the government and the banks, and all the reasons for the refusal of the banks to cooperate. It would appear that the federal government through the wheat committee were prepared to give only a limited guarantee. The Minister of Trade and Commerce is quoted in a Canadian Press dispatch from Edmonton on September 10, 1940, as follows:

> Outlining the efforts made during the past ten days and consultations with prairie province governments, bankers and others to work out a satisfactory plan, Mr. MacKinnon said:
>
> "There is an inclination by the provinces to put the full load on the doorstep of the dominion. Canadian chartered banks and elevator companies have refused to agree to a plan of advancing loans on the security of farm-stored grain, with a limited federal guarantee."

I should like to know, and I believe this house should know, what kind of guarantee the banks wanted, how high was the guarantee they were requiring, and how far the government and the wheat board were prepared to go in giving that guarantee, because it has never been suggested that the sum which the farmer would eventually get would not be forthcoming. He has been guaranteed his 70 cents advance, and I see no particular reason, although the government may not have the money in hand wherewith to pay it now, that it could not guarantee advances from the banks. There has never been any suggestion that the money would not be eventually paid. Why the government and the wheat board were not prepared to give a guarantee which was higher than the one suggested, namely a similar one to that provided under the home improvement plan, I do not understand. It is quite natural, of course, that the higher the guarantee which was given, the less should be the rate of interest and the less the return to the banks, because, after all, if the guarantee approaches one hundred per cent, there is no risk at all, and the only thing the bank would be entitled to would be a small carrying charge.

There was a second reason which was given, in addition to the one the banks were not prepared to cooperate. The suggestion was made by both the Minister of Trade and Commerce and the Minister of Agriculture, at the time when these negotiations were taking place, last August and September, that the blame—some blame, in any event—should be placed upon the provincial governments for shirking their duty. It would appear that the dominion government was insisting that the provincial governments should enter into a joint guarantee on wheat credits, with the provincial and dominion governments sharing the risk, but that the provinces adopted the position that the responsibility was wholly that of the dominion. There appeared in the press statements such as the fact that the action of the provincial governments was a virtual abdication of their responsibility over property and civil rights, and a number of statements were given to the press by both of the hon. ministers, indicating that the provinces had not done what they should have done.

What I should like to know, and I believe we are entitled to know, is whether the fact that the provincial governments would not enter into a joint guarantee, was one of the main reasons why the advance was not made. If this is so, I should like the minister to explain why he thinks the provinces have a responsibility in this regard, and how the province of Saskatchewan, owing, as it does, millions of dollars to the dominion government and being in such a precarious financial position as to have difficulty in meeting its bond issues, could add anything by way of a guarantee which would assist the situation at all.

There was a great deal made at that time, particularly by the Minister of Agriculture, of the responsibility resting upon the shoulders of the provincial governments with respect to debt adjustment. It seems to me that the minister entirely misconceived the position. I hesitate to think that he was endeavouring to throw a red herring across the trail, but the whole point at issue was, from where was the money to be forthcoming with which the farmer could buy the necessities for existence over the winter. That was the whole point. It was not at all a question of debt adjustment, because we have ample debt adjustment legislation in the province of Saskatchewan. The whole

question was that the merchants could not afford to extend credit to the farmers, much as they may have wanted to do so.

He seems also, I suggest, to have misconceived the position of the creditors in urging that the farmers should be given further protection. The bulk of the creditors are not large corporations and financially independent individuals, but are composed of many small merchants, machine dealers and so on, who have had a very difficult time financing over the years; and it seems to me that there has been too great a tendency in the past to discriminate against these small creditors. Surely those who are sufficiently kind-hearted to extend credit to the farmer because they know that he has to have certain essentials with which to carry on, and who were led to believe that the farmer would get at least a substantial part of his money, are entitled to some consideration. Furthermore the farmer is an honest man and he wants to pay his debts.

My information is that, although the quota has been raised to eight bushels generally and to higher amounts in certain sections, nevertheless farmers in many instances are not able to deliver their quota, for there is no space. It must be perfectly apparent to anyone, certainly to the wheat board, that no matter how high the board raises the quota, it is not going to help the farmer unless he is able to deliver his wheat to the granary. As a matter of fact the wheat board made that admission when they announced, on September 14, 1940, that the quota would be raised from five bushels to eight bushels. This is a quotation from a Canadian Press dispatch of that date with reference to the announcement:

> The announcement stressed that the board could not guarantee immediate storage space in the country for acceptance of this general increase in deliveries but promised a continuation of endeavours to distribute the total available space as fairly as possible.

On November 7, 1940, the *Western Producer* carried this statement, which is indicative of the situation:

> No Space for Wheat
>
> Recent weeks have seen the delivery quota increased for numerous stations in Saskatchewan. Some can now deliver 10 bushels per seeded acre, some 12 and some 15. Reports concerning these increased quotas lend an air of optimism to the Saskatchewan picture which is not fully justified. No matter what the quota farmers cannot deliver their wheat unless there is space in the elevators for it. Actually, because of lack of storage space, many farmers are unable to deliver the eight-bushel quota which would at least permit them to pay their threshing costs, municipal taxes along with other pressing dues and secure a few of the essential winter supplies.
>
> Continued reports show various districts where the quota has yet to give the relief it was designed to provide.

In discussing this matter I realize that there are many who will say, "Yes, there is a problem; there is a certain quantity of wheat still on the farms and the farmers would like to get their money, but, after all, the situation developed somewhat better than we anticipated and we will let it ride." I do not want to be in the position of being accused of threshing old straw, but as far as I am concerned, and as far as the western farmers and merchants are concerned, it is most important that arrangements should be made to provide for an advance on wheat stored on farms. More important than that, however, is the fact that, although from the figures given us the other day by the Minister of Agriculture and those given us by the Minister of Trade and Commerce it would appear that we are going to get rid of a fairly large quantity of wheat in the next few years and that we shall be able to deliver most of the 1940 crop by the end of the crop year, yet I believe that these ministers were too optimistic in their figures, and that the statements they made were not justified by any facts that they could present to the house. It seemed to me, as I listened to them, that there was a good deal of wishful thinking in what they said. I hope their optimism is justified, but even if we accept those figures at their face value, we have to meet this fact, that the whole of the 1941 crop will in all probability have to stay on the farms next winter and the farmers will have to be financed. Therefore, in discussing this matter in the house and out of it hon. members should be in a position to know the facts and to answer the questions that I have postulated this evening. Unless they are in a position to ascertain what the banks are prepared to do, what the dominion government is prepared to do, and what the provinces are prepared to do, how can they discuss the matter intelligently and offer constructive suggestions to the house?

I come now to another point relating to western economy, with which I wish to deal. It would appear that more and more factories are being built in Ontario and Quebec for the purpose of manufacturing war materials. It would appear that more and more industries are being set up for the purpose of furthering our war effort. Hundreds of millions of dollars are being spent in these two provinces, and as indicated this afternoon by the Minister of Labour, although there is not yet a shortage of labour generally, there is a probability of there being one soon. The forecast is that there will be a general shortage of labour and already, I understand,

there is an acute shortage as far as some skilled occupations are concerned. Moreover, the suggestion has been made in this house, and at least in one newspaper that I noticed, that women will probably have to be called to assist in manufacturing work. While this is going on, there is at the same time a relief problem in the west.

An hon. MEMBER: And in the east.

Mr. BENCE: I realize that there is one in far eastern Canada, but I am only discussing the question from the point of view of the western provinces. It is true that the relief problem in the prairie provinces was not as great this summer as it had been in many of the years before. It was not as great this fall, either, but there are still many people on relief in Saskatoon, and it is anticipated that the number will be considerably augmented in the next few months, because the work they have been doing has been completed or nearly completed. They have been building air ports and barracks and similar construction, but after the work is done there is nothing further for them to do and they must go back on relief. These works in themselves will not give employment except to the army and navy, and unless we do something to build factories or industrial concerns, which will in themselves provide employment, we shall always have a problem on the western prairies.

Besides relief, there is a tremendous labour force on the farms, and a part of the farmer's product will not be wanted and he will have to be supported by the state either directly or indirectly. This anomaly of a great labour shortage in one part of the country and a great force of labour in another, idle and supported in large part from public funds, should not be allowed to continue without some strenuous efforts being made to correct it.

The Minister of Munitions and Supply (Mr. Howe) explained the other day that the reason why so many of the industries for war purposes were being concentrated in Ontario and Quebec was that hydro-electric power made for low cost of production. He did not say that it was essential for efficient work; he did not say that the work could not be done in the west and in other parts of Canada just as quickly and efficiently as in Ontario and Quebec. The point he stressed was that it could be done more cheaply in these two provinces. Speaking to this house last May he said:

> I am greatly interested in just one thing, and that is getting the best material available in the shortest time and at the lowest price.

In the house the other day he said that he wished to conduct his department as he would a business concern. These are laudable sentiments and in a large measure we can all agree with them. One thing he seems to have forgotten is the fact that this is an effort by the whole of Canada and that the whole of Canada wishes to participate in providing essential war materials. I would suggest to him that if we could work out some scheme which, although possibly it would cost the department more money now, would in the long run save money for Canada, it would be a good thing.

We should look at the matter from a much broader point of view, and my suggestion is that at the risk of costing a little more now, so long as speed is not impaired, and so long as the war effort is not impeded, we should make a strenuous effort through the medium of war industry to divert the great labour force in western Canada and in other parts of the country outside Ontario and Quebec, at least in part, from their present occupations into essential war industries. In my own city war work on a smaller scale could be done now, but it may be that it could not be done at a price which would compete with that available in eastern Canada. There is a growing demand in the west to transfer labour from grain production to necessary war work. To bonus non-production, idleness or useless overproduction is economically unsound. We must have a diversified economy throughout our country, not only to assist in the war work but for post-war purposes.

There is an opportunity before us which we must not miss. If we do not take advantage of it now, we shall probably never have it again. The self-sufficiency which the European nations attained after the first great war, and the difficulty of getting a remunerative price for wheat in peace time, should be warning to us to take advantage of this opportunity when we have it. If we plan carefully and establish industries in other parts of Canada—and as I said I am not by any means confining myself to the prairies—in the long run we shall be able to save a great deal of money and establish the economic structure of this dominion on a sound basis. It is imperative that we do everything in our power to iron out the economic sectionalism which besets this country like a plague.

In conclusion I wish to associate myself most strongly and sincerely with those who have raised their voices in this house on behalf of the soldiers with regard to the request for free transportation. The Associate Minister of National Defence (Mr. Power) indicated I believe this afternoon that nothing was going to be done in this regard as far as

Christmas leave is concerned. Well, I trust the government will not make that final. In any event I make this plea, that they do not allow any soldier, sailor or airman to go overseas without first having an opportunity to go and see his loved ones.

On motion of Mr. Gladstone the debate was adjourned.

On motion of Mr. Crerar the house adjourned at 10.45 p.m.

Friday, November 29, 1940.

The house met at three o'clock.

BUSINESS OF THE HOUSE

SUSPENSION OF SPECIAL ORDER, TO PROCEED ON MONDAY WITH CERTAIN RESOLUTIONS RESPECTING WAR EFFORT

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the Minister of Finance (Mr. Ilsley) has a resolution or two which he would like to introduce on Monday next. The resolutions have to do with Canada's war effort, and I should therefore like now to move:

That on Monday next consideration of the special order relative to the debate on the address to His Excellency be suspended until the house has proceeded with and completed procedure in respect of certain resolutions to be introduced by the Minister of Finance.

This resolution, if accepted, will enable the minister to introduce his resolutions on Monday and, if favourably received by the house, to have them disposed of before the debate on the address is concluded.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, there can be I think no objection to the procedure indicated by the Prime Minister, but we have not yet had indicated to us what these resolutions are. If we are to suspend the special order and then proceed to and complete discussion of the matters to which my right hon. friend has alluded before the debate on the address is resumed, should we not in fairness to the members of the house have some indication, even if in the most general terms, as to what is proposed? Under ordinary circumstances the resolutions would have to stand over for one day. I understand that the Prime Minister does not want that, but wishes to have the resolutions proceeded with on Monday. I presume they are of considerable importance, otherwise the right hon. gentleman would not interrupt the course of this debate. We wish to expedite the government's war effort, especially in anything that relates to finance. That is important at all times, but if the Minister of Finance would indicate at this time the nature of his proposals it might be of great benefit, to me at all events.

Mr. MACKENZIE KING: All that can be said at the moment about the resolutions is that they relate to trade and taxation. I fully expected that hon. gentlemen opposite and other members of the house might wish after the resolutions were introduced, to have an opportunity of carefully considering them before beginning to discuss them, in which event I had in mind asking the house to agree during an interval to continue with the debate on the address.

Mr. HANSON (York-Sunbury): That might be just as satisfactory.

Mr. MACKENZIE KING: I believe matters would work out satisfactorily in that way. I understand that it is the intention of the Minister of Finance to have the resolutions referred to the committee of ways and means. As the house is aware, the committee of ways and means and the committee of supply have not yet been set up. Standing order 57 provides that the first proceeding after the address has been agreed to is to appoint the two committees of the whole house, the one of supply and the other of ways and means. The standing order reads:

The house shall appoint the committees of supply, and ways and means, at the commencement of every session, so soon as an address has been agreed to, in answer to His Excellency's speech.

If the resolutions are to be referred to the committee of ways and means, before the debate on the address is concluded it will be necessary to suspend that rule.

Motion agreed to.

SUSPENSION OF STANDING ORDER 57—COMMITTEES OF SUPPLY AND WAYS AND MEANS

Right Hon. W. L. MACKENZIE KING (Prime Minister): Hon. members will have observed that I had placed on yesterday's votes and proceedings notice to suspend standing order 57 in regard to the establishment of a committee of supply and a committee of ways and means. I would therefore, with the consent of the house, move:

That this house will, at its next sitting, resolve itself into a committee to consider of

a supply to be granted to his majesty, and that standing order 57 in relation thereto be suspended.

I shall introduce later a similar motion with respect to a committee of ways and means. Both committees will then be established.

Motion agreed to.

Mr. MACKENZIE KING: Mr. Speaker, I beg leave to propose a similar motion with respect to a committee of ways and means:

That this house will, at its next sitting, resolve itself into a committee to consider the ways and means for raising the supply to be granted to his majesty, and that standing order 57 in relation thereto be suspended.

Motion agreed to.

STANDING ORDERS

ALBERTA PROVINCIAL BANK—CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. W. H. GOLDING (Huron-Perth): With the unanimous consent of the house, I move:

That the first report of the standing committee on standing orders, presented yesterday, be now concurred in.

Motion agreed to.

WAR MATERIALS

REPORT AS TO ESTABLISHMENT OF PLANT IN SASKATCHEWAN

On the orders of the day:

Mr. J. G. DIEFENBAKER (Lake Centre): I should like to direct a question to the Minister of Munitions and Supply (Mr. Howe). The Regina *Leader-Post* of November 27 carried a news item to the effect that the government intended to establish in the near future a large war industry in the province of Saskatchewan, and indicated that a decision had been made in that regard. Is the minister prepared to advise the house whether the report is in accordance with the facts, and if so, whether a decision has been arrived at as to where this industry is to be located, and when the work will begin?

Hon. C. D. HOWE (Minister of Munitions and Supply): I have no knowledge of the subject matter of my hon. friend's question. In saying that, I should also say that it is quite possible that some of our officers are examining as to a location in that province, although I have no information that they are. But any statement that anything definite has been determined is premature, because if a definite proposal had been arrived at I would certainly have heard of it.

[Mr. Mackenzie King.]

ROYAL CANADIAN AIR FORCE

CLOSING OF RECRUITING OFFICE AT FORT WILLIAM —CHANGE IN RECRUITING POLICY

On the orders of the day:

Mr. DANIEL McIVOR (Fort William): I wish to address a question to the Minister of National Defence for Air (Mr. Power). I have before me an editorial which appeared in the *Times-Journal*, of Fort William, stating that the recruiting office for the air force has been closed at the head of the lakes and the official removed to Winnipeg. As this office serves two large and live cities, many towns and villages and a large district around, I should like to know if it is not possible to have this office kept open. I am not suggesting that the Winnipeg officials be moved to the head of the lakes. But may I ask why this office was closed, and how will the district be now served?

Hon. C. G. POWER (Minister of National Defence for Air): My hon. friend was good enough to give me notice of this question. What is involved is simply a change in recruiting policy, whereby, instead of asking prospective recruits to come into our offices, we will go out to get them.

Mr. HANSON (York-Sunbury): That is a change.

Mr. POWER: We propose now that in certain districts our officers shall travel through the towns and villages in the area adjacent to the former recruiting offices and see the people anxious to join rather than have us wait for them to make application for the Royal Canadian Air Force. Amongst the centres which are being closed are Fort William, Niagara Falls and Kingston. Later, as the policy develops, possibly more will be closed.

Mr. McIVOR: Thank you.

COMMANDER CHARLES BEARD

QUESTION OF RETIREMENT OF FORMER OFFICER IN CHARGE OF THE *Prince Robert*

On the orders of the day:

Hon. H. A. BRUCE (Parkdale): May I ask the Minister of National Defence for Naval Services (Mr. Macdonald) a question? A good deal of controversy has arisen in the press and elsewhere regarding the "beaching" of Commander Charles Beard, who was in charge of the Canadian ship *Prince Robert* when it captured a German freighter off the coast of Mexico. If there is some reason for such action and an investigation has been held, is the minister prepared to tell the house and the country the result of that investigation?

Hon. ANGUS L. MACDONALD (Minister of National Defence for Naval Services): Mr. Speaker, I am glad that my hon. friend has asked the question; he gave me notice of it just a few minutes before the house assembled. I understand that there has been some discussion in the papers on the Pacific coast and—more recently—in papers in other parts of Canada as to the causes of Commander Beard's retirement on sick leave. I will endeavour to give my hon. friend the story as best I have been able to assemble it in the short time since I received notice of his question.

In the first place, Commander Beard was retired from the Royal Canadian Navy in April, 1939, some months before the outbreak of war. He was retired as being in category E, and the medical examination at that time disclosed that, while his general physical condition was good, he was suffering from slight cardiac hypertrophy and elevation of blood pressure, which was 200-104, and some rigidity of the lumbar spine. The rigidity of the spine was due, I believe, to an accident which Commander Beard suffered while serving in the Mediterranean in 1920. While in charge of a bathing party, in diving from the deck of a ship he was injured, and that injury still persists. So, in April, 1939, we have him retired on the report of a medical officer who at that time classified him as category E.

In May, 1939, a board was held at Esquimalt to determine whether his injury was due to active service, and that board, after looking at the medical history, offered its opinion that the injury was due to active service. In the same month there was some discussion as to whether Commander Beard would be eligible for pension. That went on for some time. I should like to quote now what Captain Pace, of the Royal Canadian Army Medical Corps, testified as to Beard's condition in May, 1939. He said there was: first, hypertrophic changes in the vertebral column, more particularly in the cervical region of the fourth and fifth lumbar vertebrae, and second, arteriosclerosis.

Then there was some discussion as to whether the injuries were due to war services. Captain Pace said that such injuries to the lumbar vertebrae might have been caused by diving; that the arteriosclerosis was trophic change, due probably to his years, and that the strain of his duties as a naval officer would probably tend to advance the arteriosclerotic condition. That is the evidence of Captain Pace of the Royal Canadian Army Medical Corps in May, 1939.

In November, 1939, Commander Beard, war having broken out, was taken back into the naval service and placed on duty with convoy ships proceeding to England. Later he was placed in charge of the *Prince Robert* and took that ship to sea on her first voyage after reconditioning into a merchant cruiser. From then on, the story runs somewhat like this. The medical officer on the ship expressed the opinion, from his observations of the commander, that arteriosclerotic changes had taken place, that they were serious, and that the commander was suffering from a moderate degree of hypertension. He recommended that some steps be taken at once to establish Commander Beard's physical fitness for service. This is another medical naval officer.

Then another surgeon, Surgeon Commander Johnstone, senior naval medical officer on the Pacific coast, looked into the matter, agreed with the surgeon on the ship, and said that he thought Commander Beard was unfit for further naval service owing to these ailments. That was early in October. Following that, a board was held at Esquimalt barracks on October 23. Two officers sat there to determine whether Commander Beard had a disability, whether it was attributable or not attributable to service. That board came to the conclusion that Commander Beard's injury was attributable to service in the Royal Canadian Navy.

Finally I will quote the opinion of independent doctors at St. Joseph's hospital, Victoria, where Commander Beard went shortly after he was allowed to leave the ship on sick leave. Stuart Kenning, M.D., St. Joseph's hospital, says that Commander Beard showed the following symptoms: Bradycardia; left venticular preponderance, and evidence of myocardial changes as due to coronary changes, and possible coronary thrombosis.

I understand that the report is being circulated on the Pacific coast that the doctors at St. Joseph's hospital have given Commander Beard a clean bill of health. My advice from our doctors here, taking the report of the doctor at St. Joseph's hospital, is that it is quite evident that Commander Beard is not a well man. That is the independent view of a doctor in the hospital at Victoria, who has been cited, on that coast and elsewhere, as having given Commander Beard a clean bill of health. Evidence is on file from several doctors, beginning as far back as April, 1939. The evidence was reviewed by other doctors, and its goes to show that Commander Beard, unfortunately, suffers from high blood pressure and other ailments resulting from that condition.

The opinion is all one way. It is regretted that things are as they are. Commander Beard took the ship out and, as has been pointed out, did a smart piece of work; but I am afraid, if I may venture my opinion as a layman, that the strain of commanding a ship in war time, to a man in Commander Beard's condition, is simply too much and that for his own sake he should not be put in that position, not to speak of course of the officers and men who have to serve under him.

Mr. BRUCE: I thank the minister for his explanation. As a professional man I concur in the view he has expressed.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Thursday, November 28, consideration of the motion of Mr. Brooke Claxton for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Hanson (York-Sunbury) and the amendment to the amendment of Mr. Blackmore.

Mr. R. W. GLADSTONE (Wellington South): Mr. Speaker, I have chosen the supremacy of parliament as the theme of my remarks this afternoon. That is the issue that is fundamental in the great struggle in which we are engaged as a nation.

Regimentation is the antithesis of freedom. Situations are rampant in enemy countries, beside which the great disaster portrayed in Tennyson's "Charge of the Light Brigade" pales into insignificance.

> 'Forward, the Light Brigade!'
> Was there a man dismay'd?
> Not tho' the soldier knew
> Some one had blunder'd:
> Their's not to make reply,
> Their's not to reason why,
> Their's but to do and die:
> Into the valley of Death
> Rode the six hundred.

Regimentation in the armies of democracies has been reduced to the necessary discipline. More and more in modern warfare is individual initiative coming to be of paramount importance. True it is that formations must be maintained in air attacks, in tank offensives and in mechanical transport advances, but in the crucial moments pilots and operators must think and act on their own. So it is in democratic government. Party alignments represent certain definite views on such subjects as production and consumption, trade, finance, internal and external relations, and so on. Solidarity is maintained through harmonizing views and interests, by methods of give and take. At all times there is freedom to the individual member to vote according to his best judgment. That is the situation in this parliament of Canada. Canadians have not been and will not be regimented. That is why I have made bold to place on the order paper a resolution for discussion by parliament which reads as follows:

> That, in the opinion of this house, the government should give consideration to the matter of continuous participation by additional members of parliament in the responsibility of directing our war effort and of planning an after the war program for Canada.

My purpose to-day will be to lay the foundation for a discussion on the resolution which I am proposing.

I have secured from the Department of External Affairs a table of the personnel of his majesty's government formed by the Right Hon. Winston Churchill in May, 1940, with the changes of October 31, 1940. I believe this contains valuable information for hon. members, and with the permission of the house I desire to have it placed on *Hansard*.

Mr. MACKENZIE KING: I would not wish in any way to restrict the latitude to be given my hon. friend; I am only too desirous of his being afforded the widest latitude. I think however it is important for me to point out that my hon. friend is now debating a resolution which is on the order paper; according to his own words he is laying the foundation for continued debate with respect to that resolution. Speaking on the supremacy of parliament he probably knows that to preserve that supremacy no hon. member in a debate may discuss a resolution that is on the order paper except at the time the resolution itself is being discussed. My hon. friend's statement, if I understood him aright, was that his speech would be in relation to his resolution. If that be the case I am afraid it would be out of order. I mention this only in case subsequently some other hon. member may feel he has a right to take the same method of debating resolutions in the course of the debate on the address. I should not like it to be thought or said that I had permitted to one of my own loyal supporters a course or proceeding which I was denying to others.

Mr. HANSON (York-Sunbury): Of course the Prime Minister's point is well taken. I am sorry, as he is, to seem to restrict discussion in any way, but rules are rules, and I am afraid we are observing them too often in the breach. We ought to agree to observe the rules. It is the only orderly way to conduct the proceedings of parliament.

Mr. GLADSTONE: I desire to keep myself within the rules, and I think it will be found as my speech develops that I shall make some constructive suggestions, offer some criticism in places, and that as a whole my remarks will be of assistance in promoting the efficiency of the administration of parliament.

In view of the objection taken I will pass over one item, which however I think would scarcely have been objectionable. May I be permitted to indicate the extent to which members of parliament participate in the administration in the British houses of parliament? They have a war cabinet of eight members. The ministers number twenty-eight, the parliamentary secretaries twenty-nine; that is, there is a total of sixty-five members of the British ministry. Canada has eighteen cabinet ministers. Ontario has fourteen cabinet ministers, of which two are without portfolio but with salaries. Quebec has fourteen cabinet ministers, of whom eight are ministers without portfolio but with salaries in addition to indemnity.

Let me discuss now the organization that is directing our war effort in Canada. I shall do so under two headings: (1) the cabinet, and (2) the non-cabinet.

Canada is fortunate to-day in having a strong cabinet. Each department of the government is presided over by an able administrator. I shall not have time to speak of the qualifications and work of each minister, but I should like to pay tribute to a few of our ministers who are occupying key positions.

First, the Prime Minister. It is a matter of the utmost satisfaction that we have as our national leader one who has in a large way the confidence of the people of Canada, the Right Hon. W. L. Mackenzie King. He brings to the situation long experience, reliable judgment, and a discernment of trends—shall I say a psychic sense?—that enables him to do the right thing at the right time. Things do not happen by chance with the present Prime Minister; they are well planned, perhaps long planned, and invariably sound.

The Minister of Justice. Here again Canada has reason for great thanks for our fine Canadian Minister of Justice (Mr. Lapointe) —justice administered by a just man. Difficult situations are dealt with in a broadminded spirit, leniently if possible but with the firmness that is imperative in time of war. The Minister of Justice is one of the coordinators of the two races, held in high esteem by Canadians of English ancestry. I am sure the Prime Minister will not mind, having regard to the limitations of his unmarried status, if I say that the Minister of Justice is the most loved man in Canadian public life.

What a triumvirate we have here in Ralston, Power and Macdonald—names that spell ability and reliability; Ralston, the soldier, the lawyer, the business man, the organizer, keen minded and kind hearted; Power, the man who will brush aside red tape and get things done. Here we have men who will face up to Hitler and Goering, with fists clenched, and smite them between the eyes. Then how can I do justice to the Minister of Munitions and Supply (Mr. Howe)? To me he seems to have been trained for years for the great emergency of to-day—a skilled engineer, an experienced executive, quiet working and genial. In the last war there was not a man his equal connected with munitions. I might go on and tell of the high qualities of other ministers, but time will not permit. If there be weakness to-day who will say it is to be found in lack of patriotism? If there be weakness to-day who will say that there exist selfish or dishonest purposes? If there be weakness it must be due to an organization which is inadequate to meet the colossal demands.

This brings me to a consideration of the non-cabinet organization. During recent months I have gone about the city from department to department, and I am sure any person who does this must be impressed with the tremendous organization that has been created in many governmental departments. According to reports that have been tabled there has been an increase of some five thousand in the number of persons employed by the government in Ottawa since the beginning of the war, so that now we have some 16,500 persons in the service of the government in this city. It does seem to me that the task of supervising an organization consisting of 16,500 people is a very great undertaking for a cabinet consisting of eighteen ministers. In some ways, and I believe many hon. members feel as I do, it seems like the tail wagging the dog. As I go along the streets I see hundreds of people going to and from work. Just how appointments to these positions have been made, private members do not know, but the feeling is that these are not political appointments, that if there has been anything in the way of pull in connection with the appointments it has been personal rather than political.

A question was placed on the order paper concerning the appointment of a gentleman who happened to be a defeated Liberal candidate. The hon. member who asked that question in all fairness might have asked at the same time with regard to the appointment of other defeated candidates. I believe there

are four defeated candidates in the service of the government to-day, two being former Liberals, one a Conservative and one a member of the Cooperative Commonwealth Federation party. This seems to be a fair distribution.

We have listened to exhaustive reports by various ministers concerning our achievements in this war. Many speeches have been made, some of praise and some of moderate criticism. Taking the debate as a whole it seems to have been exceedingly difficult to find any vulnerable point to attack on the government's record. One of the great achievements that will be mentioned when the history of this administration is written is the establishment of price control, the benefit of which is being realized more and more as the war progresses and which will be of great value in adjusting the situation at the conclusion of the war. The basis of letting contracts is such that it would seem impossible for large profits to be made. Tenders are awarded on a price basis, and, so far as one can ascertain, high prices are not being paid for war materials. The total results so far in connection with our war effort represent a distinct achievement, and indicate very efficient handling of such a colossal enterprise.

Suggestions have been made for strengthening the administration. I should like to advance three suggestions, and in doing so I hope I will not intrude too much upon the resolution to which reference has been made already.

First I would suggest the creation of a department under a head to be known by some such name as Promoter of Economies; second, the establishment of an inner council both in war and in peace; and, third, the creation of parliamentary secretaries.

During the years I have been in parliament my speeches have been few, and those speeches have been directed toward improveing the efficiency of government and lowering its cost. The first time I spoke I made reference to the form in which the estimates for the expenditure of money were presented to parliament. On that occasion I received a great deal of help in the surveys I made of the different departments, particularly from Mr. Watson Sellar, at that time comptroller of the treasury and now auditor general. I am glad to note that following the improvement of methods a few years ago of presenting the estimates to parliament, there comes this year a corresponding improvement in the presentation of the auditor general's report. I suggest that a small expenditure of money, possibly of only $30,000 in a department in connection with the services of a man who could be known as Promoter of Economies, would save to this country at least a million dollars a year. Of course such a man would not be popular—perhaps no more popular than a certain small animal which on occasions intrudes at garden parties. Later however he would be recognized as the friend of efficient employees, and would help lift them out of ruts into better positions. What a useful buffer a person of this type in a position of the kind suggested would be for the government when it was endeavouring to turn down needless expenditures of money.

I should like to make some observations in connection with the formation of an inner council both in war time and in peace time. I am sure it is recognized that a large cabinet is unwieldy, and that it is a distinct advantage, in connection with many matters which may arise, to have consideration and action carried out, so far as possible, by a small group of men. It does seem to me that a prime minister in such an inner council could gather about him some of the best men of the administration. These men should be given the time to have their desks cleared so that they would be in a position to meet members and deputations, and even to go about the country making close contact with the people and learning about living conditions. With their freedom of action these men could function as acting ministers on occasions when ministers found it necessary to be absent.

I should like to make one or two observations respecting parliamentary secretaries. May I be permitted to say there is one weakness in connection with the present system, and that weakness I shall now discuss. When a minister shifts from one department to another it is the practice that his private secretary accompanies him. During his service in the department in which he first served, the private secretary would undoubtedly build up a knowledge of the department and of the people connected with it. In making a transfer to another department this entire experience and knowledge is lost. It would be a distinct advantage if the private secretary, or, in substitution therefor, a parliamentary secretary, could remain in the department in order that there might be an opportunity of his gaining a full knowledge of the affairs of that department, to the great benefit of any minister who might come from another department. In his duties both in and outside the house the assistance of a parliamentary secretary would on many occasions be of great value to a minister.

It is inevitable that in huge organizations, such as that which has been built up in the Department of Munitions and Supply, persons not associated with parliament will at times endeavour to extend favours to friends. This is something it is difficult to guard against, but for which the government must take responsibility.

The hazard of overwork on the part of the ministers is another very important consideration. We can be grateful that that has not happened too frequently in Canada, but I am sure all will agree that every precaution should be taken to preserve the health of the splendid men we have in the administration, so that particularly during these strenuous days there may be no interruptions.

Some times we have heard complaints from hon. members respecting the difficulty about seeing ministers. This complaint, however, I do not regard as serious. I am sure that the ministers are desirous so far as possible of seeing hon. members, and that, despite the heavy load the ministers are carrying, they extend to hon. members every courtesy. Apropos of the difficulty of obtaining an interview, one person has said—and I give this knowing it to be an exaggeration—"One has to ask the clerk to ask the minister's assistant private secretary to ask the private secretary to ask the minister for an interview."

I wish again to emphasize how very fortunate it is at this time that the direction of the country's affairs is in the hands of one so sound and so skilful in planning as is the Prime Minister of Canada. It seems to me the one great achievement which stands out above all others is the relationship brought about between Canada and the United States under the agreement consummated at Ogdensburg. These better relations and this feeling of good neighbourliness have not arisen by chance. They have come about through deliberate policies looking to the cultivation of extended trade, and, in various ways, to promoting good feeling between the two countries. What a wonderful achievement it has been becomes more apparent from day to day as we witness the contribution which in one way or another is being made by the United States to the nations within the British commonwealth in order to help them in their great struggle against the totalitarian powers in Europe.

I have in my hand a booklet—the annual publication of the Colonel John McCrae Memorial Branch of the Canadian Legion. My home city of Guelph, in the county of Wellington, was the birthplace of Doctor John McCrae. On one page of this booklet I find a picture of two soldiers of the present war who are looking at a plaque which bears the words:

Birthplace of Lieutenant-Colonel John McCrae, doctor, soldier, poet: 1872-1918.

On another page there is a picture of John McCrae and Bonneau, his dog, in Flanders. Let me try to give a picture of what I saw at the Remembrance day service on Sunday, November 10, at the Capitol theatre in Guelph.

As the curtain rises a lighted cross appears in the centre of the dark background bearing the words "Lest We Forget." To the left of the cross are the grass-covered mounds of two graves. By the side of one of them is one of our charming young girls, Miss Gray, a daughter of the immediate past president, Mr. Leslie W. Gray. Miss Gray is kneeling beside the grave, placing poppies on it. Two soldiers of the present war come in, representing the army and the air force. One of them speaks to the young lady in French, and she answers, "I am British. This is British soil. This soil is dedicated to Canada as a memorial to the Canadian soldiers who fought in the last great war. This is the grave of Colonel John McCrae."

Then two soldiers of the last great war—the fathers of the two soldiers of the present war—come in at the left, one bearing a lighted torch, which in the course of the ceremony he hands to his son, one of the soldiers of the present war. Then the young lady stands up and recites the famous poem written by Colonel John McCrae, "In Flanders' Fields":

> In Flanders' fields the poppies blow
> Between the crosses, row on row,
> That mark our place, and in the sky
> The larks still singing bravely fly,
> Scarce heard amid the guns below.
> We are the dead. Short days ago
> We lived, felt dawn, saw sunset glow,
> Loved and were loved, and now we lie
> In Flanders' fields.

Fellow members of parliament, the torch is handed to us now to carry on as best we may in the great struggle in which the nation is engaged. May God in heaven give us strength to be equal to our great trust and responsibility.

Mr. E. G. HANSELL (Macleod): Mr. Speaker, in rising to participate in this debate I cannot help expressing my disappointment at the apparent lack of enthusiasm which has characterized this debate since it began. Several members have commented to me in the corridors that interest in the debate seems to be lacking, that the debate is listless, a bit dull, devoid of enthusiasm. Perhaps I shall not add very much enthusiasm to it. I do

not altogether blame hon. members. I rather think it is the result of a sort of hush-hush policy which seems to characterize the present administration, and which I think indicates the wisdom of the amendment moved by the opposition with regard to the government's efforts to soothe the Canadian people and create a false sense of security.

Members of parliament are not immune to being soothed. There was an occasion during the present debate when I counted the number of members present. I found that there were only sixteen Liberal members in the chamber, with one cabinet minister. I recognize of course that the cabinet ministers are exceptionally busy men and that because of that we have excused them from constant attendance in the chamber. Nevertheless there were only sixteen Liberals present, and twenty-one opposition members, and at the particular time when I counted them the leader of every opposition group was present.

Mr. LAPOINTE (Quebec East): Who was speaking at the time?

Mr. HANSELL: I will tell the hon. Minister of Justice who was speaking at the time, but before mentioning him I suggest that he is one of the ablest speakers we have in the house to-day. It was the hon. member for Weyburn (Mr. Douglas). I am not saying that there have not been powerful speeches made in this debate; I know there have been. But I am saying that there is a danger of this house drifting into what the Hon. Leslie Hore-Belisha described recently in speaking of the British house as a "decline in parliamentary vitality."

Moving from the House of Commons to the realm of the Canadian people, I think I can say that the hush-hush policy is having its effect upon the public too. We live in what is supposed to be a democratic country, where we boast of our democratic rights, our liberties and our freedom. I am not belittling these things. I am glad indeed to be a freeborn citizen of a democratic empire. But speaking of political democracy may I say that it appears to me at least that the rights of a democratic people end with the ballot box. Oh yes, we urge our people to go to the polls and vote. We even spend a lot of money in getting cars to transport the voters from their homes to the polls, and sometimes on the way there we tell them how to vote.

Mr. BRADETTE: Speak for yourself.

Mr. BLACKMORE: He is speaking generally for the Liberal party.

[Mr. Hansell.]

Mr. HANSELL: After they have put their ballots in the ballot boxes, the impression gained throughout the country is that they must say no more.

Mr. BRADETTE: Page Alberta.

Mr. JOHNSTON (Bow River): The Liberals in Alberta.

Mr. BRADETTE: The Social Crediters in Alberta.

Mr. BLACKMORE: They have not got the money.

Mr. BRADETTE: The Liberals are not in power in Alberta.

Mr. JOHNSTON (Bow River): But they certainly are in Canada.

Mr. HANSELL: Let me say here that we of this group most sincerely believe that every fifth columnist, every person who makes utterances designed to cause disaffection to his majesty, every person who influences men against enlistment, should be punished. But I add that in a democracy men should be free, absolutely free, to criticize a government in truth and soberness when they feel such criticism is needful. Yesterday the hon. member for Waterloo South (Mr. Homuth) referred to the necessity for courage in this house, in this government and in our war effort. I agree with him, and I add, we should have courage to speak freely and boldly in criticism of the government, their policy and their action.

Mr. JOHNSTON (Bow River): Especially their lack of action.

Mr. HANSELL: Anything which would stifle such criticism, either within this house or outside it, is the very converse of democracy. It seems to me that the government have gone too far in the administration of the defence of Canada regulations. I am not criticizing the regulations themselves but I am raising my voice against a policy which tends to instil fear into a free people. I believe there is a fear which characterizes people in Canada to-day, the fear lest, in talking about politics, talking concerning what the government is doing or not doing, they may turn around and find themselves face to face with a row of brass buttons. I have sensed that in talking to people. This sense of fear is characteristic of a dictatorship; it is the very antithesis of democracy. I think I can go so far as to say it gives the lie to the principle of a land of free men.

I suggest in all seriousness that the government is wrong psychologically in permitting such a condition of fear to permeate our democracy. It may be that through fear,

criticism can be stopped; it may be that people may thus be induced to cease talking. But you cannot stop people from thinking. I repeat that the administration is making in this matter a huge psychological mistake. As Mr. J. B. Priestley has said, in writing of the people's readiness for the enlargement of democratic principles:

> They are ready to break Herr Hitler, but they are also ready to break any imitation Hitlers nearer home.

Our administration here appears to have gone too far along this line, and much farther than they have gone in England, where they are in the midst of the struggle. The criticism of the government there is comparatively free. My mother and father are living to-day in an English city which has been bombed a good many times. Naturally I am interested in how goes the battle over there, and occasionally I buy a British newspaper. I must say that I am astonished to discover how free the press of Great Britain is to criticize the government's actions and policies. Mark you, I do not say that they criticize the effort which is put forward to carry on the war, but they are free in their political discussions to take issue with government action and policy. I have here a number of clippings from a British paper. I am not going to read them all, but here is one.

> Disaster, if it comes, will be from weak handling of our affairs.

In another place the following comment appears concerning Mr. Churchill's cabinet changes:

> Mr. Churchill's cabinet changes remind me of a bunch of seedy stage-hands dragging off the scenery from "Ali Baba and the Forty Thieves," and then dumping it in the sunlight outside the stage door. They wait for a few moments, turn it upside down, shove it back on the stage, and then announce that everything is ready for a grand new performance of "Where the Rainbow Ends."

Mr. HANSON (York-Sunbury): Who said that?

Mr. HANSELL: That is a clipping from the *Daily Mirror* of October 4.

Mr. HANSON (York-Sunbury): New York?

Mr. HANSELL: No, no. This is an English newspaper. I am talking about what is happening in England. Here is another cutting; it is headed, "No-Brains Trust." I do not know whether I need read it all. But in the middle of it, speaking also of Mr. Churchill, this statement appears:

> He has imagination. But he has an odd taste for the retention of failures and fumblers. Others may regret that Mr. Churchill did not make a far more complete reconstruction when he took over from the old No-Brains Trust.

Mr. REID: Does the hon. member think that it is exactly fair, in discussing the defence of Canada regulations, to compare the people of this country, who are of various nationalities, with the people of the old country?

Mr. HANSELL: I will not deny that there is some force in the question of my hon. friend. I recognize that we have in Canada a variety of nationalities, but I believe that persons who come from other countries and are naturalized citizens should be free to criticize the government of the country of their adoption.

Mr. BRADETTE: They certainly have that right and they use it now.

Mr. HANSELL: My point is that they do not feel free now to do so.

Mr. LAPOINTE (Quebec East): Does the hon. member know that things much worse have been written and said about the government and about myself without anyone interfering? Why say that these things cannot be said? This is light literature compared to what I have read about myself.

Mr. HANSELL: I am not saying that they cannot be said. I am criticizing what I believe to be a psychological blunder on the part of the present administration. I make no bones about this since the discussion has arisen. I might refer to the hon. member for North Battleford (Mrs. Nielsen), who sits beside me. We all know that the very speeches she delivered in the House of Commons were published—I was not going to mention this. What happened? They were collected by the police. A policeman goes to a door and knocks. A woman comes to the door and she says to herself, "What's this? I have never had a policeman call at my door before." She goes in fear and trembling. The policeman may say, "Have you any pamphlets like this?" If she says yes, he will say, "Let me have them." What is the psychological result? That is what I am asking and that is why I am raising my voice to-day.

Mr. DOUGLAS (Weyburn): No answer to that, you notice.

Mr. HANSELL: I could go further with these clippings but I have not very much time.

Now I come to a matter which I wish to bring to the attention of the house, and I do not want to be misunderstood. All hon. members, I believe, have received copies of a very clever pamphlet. I am not criticizing it. It is got out by the bureau of information and is known as "The Two Ways of Life."

I am using it as a basis for further remarks along this line. I compliment the government upon it. Whoever was behind it is really a genius. It is well got up, it is attractive mechanically, and it is printed in several languages, but it is very clever politically. I am going to analyse it a little, referring to one or two things as I go along.

On one page of this pamphlet we see pictures of the dictatorship regime, and on the corresponding page we see pictures of the democratic regime as seen here in Canada. On page 6 I find this caption, "Parliament Destroyed," with pictures showing the burning of the Reichstag. That is all right; that is true. On page 7 I find a picture, "Parliament Preserved." The parliament buildings are seen, with the interior of this chamber, and there are some sentences indicating that the Canadian parliament is the symbol and machinery of political freedom. I have no criticism to make about that. Now we come to page 8. Here are some pictures taken in the dictator countries, and the title is, "The Public Gagged."

That is quite right and I think that these pictures will emphasize it. On page 9, coming to Canada, there is the caption, "Free Speech." One sentence reads: "Free speech is essential to democracy." That is correct. On the same page there is another sentence: "Citizens express opinions freely." I will not say that is one hundred per cent correct. When we come to page 10 we find that religion in the dictatorship countries is despised. There are some very good pictures and I think they are true. If there is one thing that is nauseating to the people of Canada and of other democratic countries it is the fact that in the dictatorship countries religion is despised. On page 11 the caption with reference to Canada is, "Religion is Exalted." There is one sentence which reads:

Under the democratic way of life citizens are free to worship according to their beliefs.

That is not altogether true.

Mr. HANSON (York-Sunbury): Will the hon. member repeat that?

Mr. HANSELL: The caption says that religion is exalted. There is the interior of a church and there is also a picture of a woman saying grace at the table, with some little children in the attitude of prayer. That is all right; I am not criticizing it. The sentence is that under the democratic way of life citizens are free to worship according to their beliefs.

Mr. LAPOINTE (Quebec East): Hear, hear.

Mr. HANSON (York-Sunbury): The hon. member says that is not true. He ought to enlarge that statement.

Mr. HANSELL: I will explain. I am referring to the defence of Canada regulations, and in speaking along this line I wish it to be known that I have no brief whatsoever for the sect known as the International Bible Students, commonly known as Russellites. I do not believe their literature.

Mr. BRADETTE: Are you in favour of them?

Mr. HANSELL: No, I am not. I am telling my hon. friend that I do not believe in them; I do not belong to them. At home I have a shelf—but I had better not say this or a policeman may call at my door.

Mr. HANSON (York-Sunbury): No chance.

Mr. HANSELL: In my library at home there is a shelf with books on it which I call my spurious shelf and on it I have some books published by the International Bible Students. That is how much I think they are right. But I am discussing the fact that there is a religious sect that cannot worship as they like.

Mr. HANSON (York-Sunbury): They can worship but they cannot prosyletize.

Mr. JOHNSTON (Bow River): They have not the same freedom that others have.

Mr. HANSELL: Their organization has been declared illegal.

Mr. BRADETTE: And rightly so.

Mr. HANSELL: Under section 39 there are a number of provisions that would indicate that if these people are seen congregated they are liable to prosecution. I am simply saying that in my opinion the defence of Canada regulations in that regard have gone a little too far. I quite believe that if one of these Russellites got up on a platform and declared that men should not fight for their liberties, if he tore down the flag and all that sort of thing, he should be brought to time and convicted accordingly. But I do not see why we should not, under the defence of Canada regulations, permit absolute freedom of worship as one's conscience dictates.

We have some sects that have been referred to before, and I have a very great respect for some of these people. I refer to the Doukhobors. I have a number of them in my constituency. I am not going to say that they are subversive at all, but they do not believe in participating in our war effort. Yet they are allowed to worship as they desire, and they are not declared illegal. I am not

saying they should be, but I think there is an unfairness there. Section 39C of the defence of Canada regulations reads:

(2) Every person who after the publication of this regulation in the *Canada Gazette* continues to be or becomes an officer or member of an illegal organization, or professes to be such, or who advocates or defends the acts, principles or policies of such illegal organization shall be guilty of an offence against this regulation.

(3) In any prosecution under this regulation, if it be proved that the person charged has

(a) attended meetings of an illegal organization; or

(b) spoken publicly in advocacy of an illegal organization; or

(c) distributed literature of an illegal organization by circulation through the post office mails of Canada, or otherwise;

it shall be presumed, in the absence of proof to the contrary, that he is a member of such illegal organization.

Now that is dangerous. I am not suggesting for a moment that any administration would go as far as "planting" a member. But where there is freedom of speech in democracy, political freedom, no member in his utterances and criticism of government action and policy should run the risk of being influenced by fear that he may be even "planted". It is not impossible to do a thing like that. I happen to be connected with a small college. I hold rather an important position on the board of directors. Suppose the question arose of my mailing to students a copy of something that the International Bible Students publish, in order that those students may study what this sect teaches. Well, I am not going to do that. Why? Because I fear doing it.

Mr. MacNICOL: Why?

Mr. HANSELL: I may not be right in this, but I suggest to you, Mr. Speaker, that a member who becomes a political menace to the existing administration could be "framed", and is in danger at least of all the possible force and all the possible intrigue being levelled against him in order to destroy him.

Mr. WOOD: Is that an exhibition of your courage?

Mr. HANSELL: I am letting that question go unanswered. If the hon. member had been through as many dirty, rotten political campaigns as we members in this group have been through, he would not question anyone's courage.

Mr. JOHNSTON (Bow River): And some of them got put in gaol for six months with hard labour. Political sculduggery.

Mr. HANSELL: Let me go on further with this little pamphlet. I repeat, I am not criticizing the pamphlet itself. On page 12 we find some pictures with the title "Political Murder". That is right; we know that in dictatorship countries they think nothing of getting rid of political opponents by standing them against the wall and shooting them. On page 13 when it depicts political liberty in Canada it says:

House of Commons at Ottawa—showing government seats (left) and opposition seats (right).

Now, that is a good picture. I notice that the Minister of Mines and Resources (Mr. Crerar) is speaking—and by the way he is reading his speech.

Mr. BRADETTE: He is not the only guilty one.

Mr. HANSELL: They did not get all the chamber in the picture; they have cut off this end of the chamber. The only member of these groups shown is the hon. member for Vancouver East (Mr. MacInnis). That is neither here nor there; but here is a clever touch—I do not think I have seen anything more clever. At the top right-hand corner of this little picture there is represented a clipping from a newspaper. It may be a fictitious one but it is very clever. It says:

Opposition wins another seat.
Toronto, February 15.—A recount of the votes cast in the February 1st election gave the opposition one more seat in the new legislative assembly.

Mr. MacNICOL: They had better take some more pictures.

Mr. HANSELL (reading):

Mr. Justice Campbell supervised the recount, which resulted in a majority of eleven votes for . . .

And there it is cut off.

Mr. HANSON (York-Sunbury): What is the idea?

Mr. HANSELL: The idea is this: Of course we have to admit, say the government, that it is possible to elect an opposition member, but the one who is elected is elected by a very slim majority. We are still in harness. They may beat us occasionally, but not by very much.

Mr. HANSON (York-Sunbury): Wait and see.

Mr. HANSELL: It says on the same page:

Critics of the government serve an important function in the Canadian parliamentary system.

I believe that is so, but here I am going to make a little comment. On several occasions in this house during this present session

hon. members have risen and urged upon the government that it give free transportation to soldiers for Christmas leave. Every time any hon. member has urged that action, whether he be a Liberal member or an opposition member, the Liberal side has applauded the suggestion. Yesterday the Associate Minister of National Defence (Mr. Power), making his announcement for the Minister of National Defence (Mr. Ralston), positively stated; "It is no use, gentlemen; our policy is that no free transportation will be granted." That was final. Now, what happens? The hon. member for Weyburn yesterday afternoon urged once again that free transportation be granted. Did I hear applause from all those seats then?

Mr. HANSON (York-Sunbury): Yes, from here.

Mr. HANSELL: Do not misjudge—yes; the opposition did, but not one Liberal member applauded. Why?

Mr. JOHNSTON (Bow River): They were whipped into line.

Mr. McNEVIN: You are mistaken, sir. I applauded.

An hon. MEMBER: There is one who will never make the Senate.

Mr. HANSELL: I compliment my hon. friend upon his courage. But there was a very marked difference between the applause then and that of earlier times when this matter was brought up.

Mr. LAPOINTE (Quebec East): Did my hon. friend say there were only sixteen Liberal members present at the time?

Mr. HANSELL: That is true; sixteen were here, and one applauded.

On page 16 of this little pamphlet we find, speaking of dictator countries, the caption, "Slave Labour in Dictatorship Countries." I think that is generally true. On page 17 we find a Canadian picture with the caption "Free Labour," and one sentence reads:

Recognition of the freedom and dignity of labour is essential to the democratic way of life.

That is true, but another sentence reads: "Canadian factory workers are free men." That is only partly true. Apparently this is a picture of a number of workers leaving a factory. They are laughing and joking; two or three of the men have their hats in the air, while others are waving. It looks as though they were going to a picnic instead of going home from work. That does not matter; it is a good picture, and once more I say it is very clever. But I could substitute another picture for it, a picture I happen to have. My picture shows two or three hundred men trying to get a ride on a freight train.

An hon. MEMBER: Are they soldiers?

Mr. HANSELL: No, they are not soldiers; this picture was taken a few years ago. These men were looking for work but could not find it; no doubt some of them are still looking for it.

Now, Mr. Speaker, I am only half way through my speech but I see my time is rapidly becoming exhausted; I have been interrupted a number of times.

Another dictator picture appears in this pamphlet on page 20, under the heading "Electoral Slavery". It shows a man in one of the dictatorship countries marking his ballot while another man in uniform stands watching to see how he votes. On page 21 we see another clever Canadian picture, showing three men going to vote. The one dropping his ballot in the box looks as though he might be a clerk in a store. The man behind him looks as though he might be a shoemaker; he is wearing an apron. The third man is dressed in a coat a little too large for him and his bowler hat is coming down over his ears a bit. Well, they are the general type of our working people. Then there is a ballot, presumably a facsimile of an actual ballot. I do not criticize this picture very much, but the first name on the ballot is that of Pierre Blanchette, and the X is marked opposite his name. I think perhaps he was a fairly good Liberal. Next is the name of Mr. Arthur Hamon, a farmer. He did not get the vote. Next is Joseph O'Neil, Eastview, gentleman. He did not get the vote. The fourth name is that of John Thomas Smith, merchant. He did not get the vote either. Mr. Pierre Blanchette, who got the vote, is said to be a barrister; and these men, representing the rank and file of our people, are casting their ballots. You can see the psychology of all this; whether or not it was intended I do not know.

Mrs. NIELSEN: And not a woman's name on the list?

Mr. HANSELL: No.

Mr. LAPOINTE (Quebec East): If I am not mistaken that is an exact facsimile of the ballot contained in the election law; at any rate these are the same names.

Mr. HANSELL: It may be; I do not say it is not. I have been interrupted a good many times, Mr. Speaker, and I want to remind hon. members that I am not criticizing this; I am pointing out the clever psychology underlying the whole thing. I do not say this is not a good pamphlet.

Mr. SPEAKER: Order. I am sorry to have to inform the hon. gentleman that his time has expired.

Some hon. MEMBERS: Go ahead.

Mr. LAPOINTE (Quebec East): Five minutes more.

Mr. SPEAKER: If it is the pleasure of the house.

Mr. HANSELL: The next part of my speech, Mr. Speaker, deals with an entirely different matter. I regret very much that I have not time to complete it.

Mr. JOHNSTON (Bow River): Go ahead.

Mr. HANSELL: No; it would take more than five minutes. Therefore I thank you, Mr. Speaker. I will save what I have to say for another occasion.

Mr. LAPOINTE (Quebec East): It was a good speech, anyway.

Mr. R. M. WARREN (Renfrew North): Mr. Speaker, I am just a little concerned now, after seeing how the hon. member for Macleod (Mr. Hansell) had just got nicely started on his speech by the time his forty minutes expired, as to whether or not I have prepared too much material. I propose to dispense with the preliminaries with regard to the mover and the seconder of the address. I need only say that I endorse the fine things that were said in reference to those two hon. gentlemen and the speeches they made.

I have been greatly impressed with many of the addresses which have been made during the course of this debate, particularly those by the Prime Minister (Mr. Mackenzie King) and the various members of his cabinet. The addresses to which we have listened contained much valuable information and told a story of achievement and progress in our war effort of which we as Canadians should be proud and for which we have no reason whatever to be ashamed.

I should like to refer particularly to one member of the cabinet; that is, the hon. member for Kingston City (Mr. Macdonald). I have already informed the hon. member that we in eastern Ontario, and particularly we in the constituency of Renfrew North, regard him as rather a special cabinet minister as far as we are concerned. He takes the place of the late Hon. Mr. Rogers, who was taken from us in such a tragic manner and in whom, during his term of office, we of Renfrew North always had a splendid friend, supporter and helper whenever we needed the benefit of his wisdom and advice in carrying on the affairs of our constituency. The hon. member for Kingston City made a most remarkable contribution to this debate. His splendid appearance, his musical voice and his wonderful command of the English language made his address a pleasure indeed to hear.

For just a moment I should like to refer to some of the statements made by the hon. member for Peterborough West (Mr. Fraser) concerning conditions at the military camp at Petawawa. The hon. member complained of the climate and of the distance of the camp from any large centre of population. I should like to say to the hon. member that in my opinion the soldiers at Petawawa will not suffer any more during the winter months than they would suffer at times in such districts as Kingston or even Toronto. I know when there is an east wind blowing off the open water toward the city of Toronto, one may suffer a good deal more from cold than he would if he were in the drier climate of a district such as Petawawa.

Then, the desirability of having the camps nearer larger centres is a point which could be argued. I believe some officers in the army would not agree that it is always advantageous to have a camp located outside a large centre of population. At the camp in question we have something which, I am sure, will be appreciated during the winter months, namely, an abundant supply of wood of all kinds to be used as fuel, and which can be supplied for only the cost of cutting and hauling. While that wood may be cut under the supervision of forestry officials, so as to prevent its being slashed down indiscriminately, there will be a good supply of fuel and at the same time the best timber will be left standing. Where there is a hundred square miles of bush there can be no doubt as to there being an abundant supply of cheap fuel for many years to come.

Splendid contributions have been made to the debate by hon. members from all parts of the house. I would refer particularly to a portion of the speech made yesterday by the hon. member for Waterloo South (Mr. Homuth). At page 490 of *Hansard* he is reported to have said:

> There is no one who would at any time question the courage of the men in our army, our air force, and our navy. The fact that they are in the service is sufficient evidence of their courage. But we must have courage in other places in this country. We must have courage in this house. We must have courage in this government—courage to do the things which are necessary to the war effort, courage to pass such laws as are necessary to give the greatest help we can to the mother country in this hour of extreme peril. I feel that sometimes we are inclined to softpedal some of our responsibilities because of some political effect that action might have on portions of our population. That thing must not be. Here in this house, and particularly with the ministers, there must be courage to face these issues as we have never faced issues before.

I compliment the hon. member for Waterloo South upon that statement; but I believe I would go farther and say that private members in the house ought to keep in mind that we, too, require courage in facing any issue which may come before us in these years of war and peril.

I have been impressed with this fact: In the early days of the session the Minister of National Defence (Mr. Ralston) made it clear that it would not be practicable to give free transportation to soldiers. Yet, as was stated by the hon. member for Macleod, from all quarters of this chamber we have heard plea after plea asking for free transportation for the soldiers. Sometimes, when I have listened to those pleas, I have wondered whether they have been made because those who make them know that it is the popular attitude to take. I wonder whether sometimes it is a display of lack of courage, and an indication that we would rather travel the easy path and support the popular proposal. I am sure all hon. members would like to be able to help each soldier in Canada to obtain free transportation to his home for the Christmas holidays. We know that the wives, children, fathers and mothers of those men would be delighted if that free transportation could be given by the government. But when we know that from the government's point of view it is impracticable—

Some hon. MEMBERS: Why?

Mr. DOUGLAS (Weyburn): Why is it?

An hon. MEMBER: Have we not the railways and the coaches?

Mr. DOUGLAS (Weyburn): We do not know it, as the hon. member suggests we do.

Mr. WARREN: Why keep asking members of the government to do that? Why do we do it? It would appear that those of us who approve free transportation desire to be regarded as good fellows, while the ministers who know that it is impracticable are bad fellows.

Mr. DOUGLAS (Weyburn): But it is not impracticable; it is quite feasible.

Mr. WARREN: That is the hon. member's view. If, however, he were to ask the military organizations throughout Canada whether or not it is practicable, I believe they would tell him something about the matter.

Mr. DOUGLAS (Weyburn): I am sure they would not.

Mr. WARREN: For example, some of those boys would have to be transported all the way from Vancouver to Prince Edward Island.

An hon. MEMBER: What about it?

Mr. QUELCH: All the more reason why they cannot pay their own fares.

Mr. WARREN: Boys who used to work for me on the farm are now in Iceland; then there are boys in Newfoundland and hundreds of them in England; what are they getting? How will they feel, if they are ignored when favours such as these are handed out? Hon. members of the opposition might urge that the expense would not be very great, that it would cost only about half a million dollars. Let me point out that half a million dollars is a great deal of money, and will buy a large quantity of war materials.

Reference has been made by an hon. member to a growing discontent among the soldiers. I am not sure who said it, but I know it was said. In my opinion that is something which might be expected. Any soldier who joins an army when a war is in progress is bound to become discontented if, after months of training and drilling, he does not see action. He wants to get into action, because he knows there is action somewhere. His ambition is to get into it.

I recall that in the early days of the first great war I visited my brother at Valcartier camp. He was one of the 30,000 Canadian soldiers then in training, and one could not have found anywhere a more discontented lot of men. Why were they discontented? Simply because they were afraid the war would be over before they got into it. Our boys have been training and drilling, month after month. And perhaps, if we are to prepare for an offensive in 1942, as we have been told, their training may extend into years. That training is monotonous. They become tired of it, and they want to get into action. Undoubtedly there will be some discontent. But when I hear of that condition I am always reminded of an observation made to me within the last year or two by one of my cousins. He went to England as a lieutenant at the time of the last war, returned as a major, and eventually became a colonel. I believe he reverted to the rank of brigade major and is now again in England. When speaking to a young man who wanted a transfer from one city to another in the air force, he said, "When you join the army you must make up your mind that you are in the army."

There is one consolation for the soldier in a training camp, namely, that every day he is becoming a little more fit for the great test that is to come—and it is bound to come. This war cannot be won until we take the offensive, and if we cannot have that offensive until 1942 there is no question

in my mind that at that time these young men will be just as keen, willing and able as the Canadian army was from 1914 to 1918.

To come to another matter, it does not take very much courage to be constantly telling the farmers of Canada that prices for their products are lower than they ought to be. It is the easiest thing in the world to tell the farmer that he is only half paid for his dairy products, his cheese and his bacon, but it is not quite so easy to tell the farmer why prices are as low as they are. Every member of this house knows perfectly well that we have only one market for our surplus bacon and our surplus cheese, and no export market for butter. And who is setting the price? The imputation might be that the Minister of Agriculture (Mr. Gardiner) is responsible.

Mr. NICHOLSON: Hear, hear.

Mr. WARREN: My hon. friend says, "hear, hear." Yet the Minister of Agriculture was accused a few days ago by the hon. member for Parkdale (Mr. Bruce) of bargaining with the British government in reference to bacon and cheese prices. My belief is that the farmers of Canada could have no better representative than the Minister of Agriculture to send to England to bargain with the hard-headed British food control board with regard to selling our products. We must keep in mind that we are not selling in competitive markets. We have only one market. We are the sellers. We are not the buyers. And if we take the attitude suggested by the hon. member for Parkdale that we ought to be giving our products to the British government and the British people rather than selling them, why did my hon. friend say "hear, hear" when I suggested that it was implied that the Minister of Agriculture was responsible for the low prices now prevailing?

Mr. FAIR: Why do the manufacturers not give their products to the British government? Answer that one.

Mr. WARREN: I shall have something to say in a moment with regard to industry.

The hon. member for Victoria, Ont. (Mr. McNevin) in his address dealt, I think, adequately, with the prices of dairy products. I quote his words:

> This brings me to a further question, namely, that of hog prices, and the bacon agreement between the Canadian government and the food board in Great Britain. I am prepared to say that I believe this lower price offers but a small opportunity for any profit for the hog producer. However, if that is the top price the British food board is prepared to pay—and we have great sympathy for Great Britain and her financial position—then to my mind the matter is settled so far as that part of it is concerned.

Hon. members know that the matter is settled. Every member of the house knows the matter is settled. Then why endeavour to create discontent among the producers of Canada by constantly telling them what you and I and everybody else know, that prices are not what they ought to be. There is nothing we can do about the matter. The price is settled for one year so far as cheese and bacon are concerned.

Mr. WRIGHT: The government is subsidizing cheese. Could they not subsidize the production of bacon as well?

Mr. WARREN: During the last few years the government has subsidized the western provinces to such an extent—

Mr. WRIGHT: I am not speaking of the western provinces. Cheese is made entirely in the east.

Mr. WARREN: It is not a subsidy but a premium that is paid on high grade cheese.

Mr. WRIGHT: Then why not on bacon?

Mr. WARREN: The hon. member for Victoria, Ont., gave as his view that winter butter ought not to be less than 35 cents, while milk delivered at a cheese factory at present prices will work out to 28·8 cents a pound for butter fat, and that bacon hogs will work out at about 8 cents per pound live weight on our markets here. All of us know that the farmer cannot make a profit at that price if he is going to pay his taxes and maintain himself as a good farmer. But the price is settled, and if it is settled what can we do about it? The granting of a subsidy as suggested by the hon. member for Melfort (Mr. Wright) is another matter, and I am not going into that.

So far as eastern Ontario farmers are concerned I think, generally speaking, there is no great spirit of discontent among them regarding prices because they feel that they are working in a world cause, and they will be satisfied if they can be assured that there is equality of sacrifice among all classes of people.

Mr. FAIR: Better read your newspapers.

Mr. WRIGHT: That was not the opinion expressed at the convention of the United Farmers of Ontario.

Mr. WARREN: I might have something to say about that if I had seen it.

The Minister of Agriculture has been criticized for something he said over the radio recently regarding industry. I think that his

is the sort of courage which we may need in this country, that of a man who will say what he believes should be said. And if one particular industry wants to defy the government, I say hats off to the minister for telling the management of that industry that if it is not capable of conducting that factory, it may be necessary to do as they do in England, place someone else in charge who can run it.

Mr. HANSON (York-Sunbury): If the hon. member will permit me a question, do I understand him to say that any industrialist in Canada has defied the government? The minister never said anything of the sort. All he said was that one industry had objected to the regulations.

Mr. WARREN: Not very much difference.

Mr. HANSON (York-Sunbury): Oh, yes. Defying the government and objecting are quite different.

Mr. WARREN: I was going on to say, Mr. Speaker, that it does not take very much courage to cater to the spirit of discontent. I have listened to the addresses made in this house by the hon. member for Vancouver East (Mr. MacInnis) and the hon. member for Cape Breton South (Mr. Gillis), and I felt that there was a tone and tendency in those addresses of catering to or raising up a spirit of discontent. The hon. member for Cape Breton South went so far afield in his remarks that he went all the way up to Kirkland Lake in northern Ontario to criticize a body of public-spirited citizens who had volunteered their services in the cause of law and order in that town.

Mr. NICHOLSON: Whose law and whose order?

Mr. WARREN: Well, the law and order of Canada.

Mr. BRADETTE: In the country of northern Ontario, if the hon. member wants to know.

Mr. WARREN: He goes even farther than that; he makes a trip to Oshawa; and certainly his remarks would have no tendency to quiet any spirit of discontent which there might be, or, as the hon. member for Vancouver East contends, the spirit of discontent which is growing. No matter what part of the house we occupy, a good deal of importance is attached to the attitude which any hon. member may take, and I think we shall be very ill-advised to try to create or foster a spirit of discontent. As an illustration of the importance which is placed on the words of a member of parliament, I might point out that a day or two ago the leader of the opposition (Mr. Hanson) complained that some persons were driving a little too fast past the House of Commons, and as a result an extra police officer is parading up and down all day in the storm to see that no one goes by at too fast a rate. I use that merely as an illustration of the importance of guarding our lips during these years of war and crisis.

It is my firm belief that there is very little discontent in the ranks of labour anywhere in this dominion, and if we can keep free of professional agitators we are not going to have much trouble. We have not forgotten the actions of the professional agitators here in Ontario. We have not forgotten the crowd that sat down in the Vancouver post office for a week or two, or that after that same gang were put in camps, where they were fed and taken care of, they were so ill-behaved that the camps had to be broken up, and the professional leader of that particular gang drifted to Ottawa and tried to raise riots in this city.

Mr. JOHNSTON (Bow River): And some of them are fighting for you to-day. Do not forget that.

Mr. WARREN: I doubt if those leaders are. We have not forgotten that that sort of thing is possible in this or in any other country. I might add that in my reference to professional agitators I have no thought at all of, and make no allusion to, the riding of Renfrew North. We did have one agitator there. He ran as the Cooperative Commonwealth Federation candidate and he got 709 votes out of 11,515 polled, so we got rid of him and we have had no other professional agitators. So far as I know, there is no discontent among the labouring element in my riding.

Mr. MacNICOL: Does the hon. member infer that all Cooperative Commonwealth Federation candidates are agitators?

Mr. WARREN: Some question was asked respecting labour. I have a statement here which I wish to quote, because the public may not have noticed it in the long address which was given by the Minister of Munitions and Supply (Mr. Howe). In any event, it is worth repeating in *Hansard:*

> We have enjoyed splendid cooperation from industry and labour. Margins of profit have been maintained at levels much lower than in peace time. I feel confident that there will be no new millionaires emerging from this war. In my efforts to prevent undue profits on the part of industry, I have the enthusiastic cooperation of the Minister of Finance (Mr. Ilsley) and the Minister of National Revenue

(Mr. Gibson). Organized labour has cooperated in extending working hours and in bringing incipient labour disputes to arbitration.

I might interject at this point that we have received extraordinary cooperation from organized labour. Almost every week union leaders have written in and have asked if certain actions on their part would be beneficial. If we are in a position to write back to the effect that such actions would be beneficial to the war effort, I believe there has been no instance in which such action has not been taken by the organization affected.

There has been as little profiteering on the part of labour as on the part of capital. There seems to be a general appreciation that an increase in wages and the cost of living, and consequent increased cost of production, will in the long run be harmful, and that a balance between wages and the cost of living can best be maintained by seeking stability in both.

Yesterday the Minister of Labour (Mr. McLarty), in his address, made just as glowing a reference to the conduct of labour.

Another matter to which I wish to refer is the quiet campaign which has been undertaken to undermine the confidence of the people in the Minister of Munitions and Supply and the Minister of Agriculture. That effort has not been confined to this house; we find it displayed in the *Financial Post*. It will be recalled that the *Financial Post* is the periodical which started the campaign against the contract for Bren guns. In this it was backed up by *Maclean's* magazine, and supported later by the leader for the Conservative party in Ontario. They are at it again, quietly of course to begin with. The present object is to get rid of the Hon. Mr. Gardiner as Minister of Agriculture. The acting leader of the Cooperative Commonwealth Federation group (Mr. Coldwell) has gone so far as to embody the proposal in an amendment to the speech from the throne. The hon. member for Qu'Appelle (Mr. Perley) is equally anxious that the present Minister of Agriculture should be removed from that particular office. From the point of view of the political future of the parties which those two hon. gentlemen represent, I would be inclined to think they would be particularly pleased if they had the opportunity of attending the funeral of the present Minister of Agriculture.

Mr. PERLEY: I object to the inference. I am opposed to his holding three or four of the portfolios, but I have no objection to the Minister of Agriculture.

Mr. HANSON (York-Sunbury): And the hon. member for Qu'Appelle is not expecting to go to his funeral right away.

The ACTING SPEAKER (Mr. Fournier, Hull): Order.

Mr. WARREN: Last year a campaign was started which was intended to undermine the confidence of the people in the ability of the Prime Minister (Mr. Mackenzie King) to conduct the affairs of Canada. It went on for some time, but after three or four speeches had been made by Liberal members of the house, that idea was given up. In that connection the only reference which I have seen recently was a suggestion in some periodical that he should be replaced by the hon. member for North Battleford (Mrs. Nielsen).

That reminds me that I had a visit from two ministers of the church within the last month or so, and in conversation with them I learned that one of these gentlemen was the son of a farmer and had been brought up in the riding of North Battleford. I was all ears, because I had listened to so many speeches delivered by the hon. member for North Battleford that I had a mental picture of that constituency as being a desert, dreary land covered with shacks, without any attractive homes or farms or groves of trees—a place where not a single soul could make a living. I was pleased indeed to learn from this young gentleman, a minister of the church, that even during all those terrible bad years his father had never asked for or received any government assistance. When I learned this, I breathed a prayer of thanksgiving, "Thank God, there is at least one farmer in that desert land who has been able to make a living from the soil".

Mr. NICHOLSON: Does the hon. member question the accuracy of the reports given by the hon. member for North Battleford in this house? He is questioning the veracity of the hon. member.

Mr. TUCKER: Has she joined your party or have you joined hers?

Mr. NICHOLSON: The hon. gentleman is casting a reflection on the hon. member.

Mr. WARREN: I was discussing the campaign to undermine the confidence of the people in two very useful members of the government. I knew something of the hours of toil, during the early months of the war, of different members of the cabinet. Many of them, I know, were never in their offices in the morning later than nine o'clock and never left them earlier than one or two or half past two the next morning. That tremendous amount of labour which they put into their work in order to get our war machine started is something that ought to be borne in mind. As I have looked at them from time to time I have wondered whether they were likely to break down.

There is now an agitation to replace these men with others who do not know the workings of the machine which has been brought to such a state of perfection. When the suggestion is made that the Minister of Agriculture should be removed from that portfolio, I say to this house that I doubt whether many men would be found in Canada who would recommend such a thing. We believe that there is not a man in the country who understands better than the Minister of Agriculture the various angles of the marketing of farm products, and one of the reasons why he knows the subject so thoroughly is that he always wants to find out everything for himself. I recall a remark I once heard the Hon. Mr. Dunning make with reference to the Minister of Agriculture. Some one asked Mr. Dunning why he had sent Jimmy Gardiner to a certain place and he replied, "You don't send Jimmy; he just gets up and goes". He has travelled east and west, acquainting himself with all the problems of the farmer. I have been in his office time and again when different aspects of the various problems in connection with the marketing of farm products would present themselves and one would not find any angle that he was not familiar with.

The ACTING SPEAKER (Mr. Fournier, Hull): I must remind the hon. gentleman that his time has expired.

Mr. WARREN: Would the house allow me to make one further remark?

Mr. HANSON (York-Sunbury): Another gentleman wishes to make a speech and he will not have thirty minutes.

Mr. G. R. BOUCHER (Carleton): In rising to speak for the first time in this house, I should like to pay a tribute to my late esteemed predecessor who represented the constituency of Carleton. The late Doctor Hyndman was well known to me for the past twenty years as a country doctor and family physician who had the esteem and love of all who knew him. Very early in life, in the year 1935, he entered the House of Commons, and took upon himself the task of looking after the interests of his people with conscientious vigour and sincerity. It is a pity that Providence should have removed from our midst at such an early age one who had the sincerity and the intentions of Doctor Hyndman.

Speaking in the house at this time, I am quite conscious of the responsibility placed upon members in this critical day. As I listened to the hon. member for Renfrew North (Mr. Warren) condemning those who attempted to get something for the returned soldiers, those who attempted to portray to the government the condition of the farmers of Canada, and as I heard him say that it does not take much courage to cater to the spirit of discontent, I must at once repudiate any suggestion that there is any spirit of discontent among our farmers, any spirit that is not admirable. In my opinion, the farmer, more than anyone else, is shouldering the responsibility of our war effort with a valour and loyalty which merit the praise and admiration of this house.

Coming from the constituency which I represent, let me assure the house that the people there are deeply conscious of the difficult days through which we are passing. I believe they have tightened their belts and are prepared to draw them still tighter in order to do everything possible for an aggressive, energetic and whole-hearted war effort. Since coming here, I have observed in the house almost total unanimity in the desire to come to the help of the motherland, and a realization that our first line of defence is the English channel and that we in Canada must do everything possible to further the war effort.

I am, however, rather amazed at the anxiety of the average member of this house, members of all groups, all parties, even of the government party, in their criticism of the cabinet and council for not passing out responsibility, for not harnessing the power of this house and the people of this country in a more courageous and whole-hearted war effort. I believe that to-day the government have made a fair start on our war effort.

They have set up a tremendous organization: I do not know exactly whether it is the case, as the hon. member for Renfrew North just mentioned, that they have brought down the Gardiner machine to do so or not. But I believe, from listening to the debates in this house so far, there is a strong feeling that the government have not gone far enough in the leadership that the times and the occasion demand. There is in this house more power that could be harnessed by the government taking into their confidence the private members. A much greater war effort and quicker results could be produced if the people of Canada were taken more into the confidence of the government and asked to take a greater part in all their endeavours.

Just recently in my own constituency, as in all the constituencies in Canada, the people were called upon to volunteer their services in connection with the national registration. The spontaneity of their offer of assistance was a marvel to the country. Their willingness to cooperate with the government was a tribute to the spirit of the Canadian people.

The same thing would be done with regard to financing, the sale of bonds or any other endeavour that the government should see fit to ask the people to undertake. The government should have more faith in the loyalty and readiness to serve of the people of Canada.

Instead of that, the criticism is that there are too many so-called dollar-a-year men, too many men paid high salaries, too many commissions, too many experts coming to the rescue of the hard-pressed government. There is too big a concentration of our war endeavours in the big industrial concerns. I have listened to member after member voicing the sentiment, with which I entirely agree, that there is too much concentration of war endeavour in the big industries on a long-term schedule. I should like to add my viewpoint that there are a great many small industries, garages as someone said, small factories now existing, which could easily be harnessed to our war effort and could produce those things we want with real expedition and without any long-term schedule. If necessary why should not both be tried? I fully appreciate the fact that we have been in the war for only a year and three months. But as a member of this house it is my responsibility to urge the government to harness every bit of manpower and machine power and use every bit of property we have for the prosecution of this war.

In my own riding, for example, composed largely of farmers, tradesmen and low-salaried civil servants, the only work to be seen on behalf of the war, other than the very small use of the Connaught rifle ranges, is the voluntary service rendered by our people themselves. The wonderful enlistment for army, navy and air force, of our people, the great service of our women's institutes; Red Cross societies; religious, social, fraternal and even political organizations, in making articles required for soldiers under the auspices of the Red Cross give ample evidence of war consciousness. I pay a tribute to the work they have done so far in that regard. Other than that I can see no speeding up of war effort in my constituency, located as it is within sight of these buildings—yes, reaching right into the city of Ottawa to a great degree.

Might I draw to the attention of the government and particularly the Minister of National Defence the fact that located in the constituency of Carleton is the Connaught rifle range, a dominion property composed of some 2,700 acres which cost the government within the last twenty years over $850,000, equipped with buildings, targets, hutments and everything that could be used for military training. According to an answer I have received from the government recently only 952 men were on that range within the last year. They did not tell me how many days they were on it, but from my own knowledge I know it was very few. This asset of the dominion government is good enough to hold a meeting of the Dominion Rifle Association on every year, to have marksmen from all over the country come and practise marksmanship. It is a splendid place for the trainees or even the active service force to take their military training. The government would be well advised to take this into consideration and use this rifle range more than they say they are going to when they say "the same as in 1940", namely 952 men.

This rifle range is of particular interest to my constituency because 2,700 acres of land have been taken out of taxation, producing no revenue for provincial or municipal purposes, and what do we get in return? If that rifle range were used for the purpose for which it was intended to be used, some of our local producers might find a market for their products.

While dealing with that, I would say that the government could go further and buy foodstuffs from the farmers rather than from the big financial concerns. I would like them to take that into consideration. The small arms schools there could be used extensively.

I almost hesitate, in view of what has already been said, to speak on behalf of the soldiers. But if there is one man in this country to whom we in this house should give every consideration it is the soldier who is fighting our battles. The matter of transportation, be it for Christmas or for his last furlough, is the least thing we can do in recognition of the service he is rendering to us. There are so many who have volunteered their services to the government who have been taken away and quartered in different sections of the country far from home and who have not an opportunity to return home on account of their pay of $1.30 a day while their brothers and friends are earning much higher wages outside the army.

Another matter I should like to draw to the attention of the government is the situation of those who left their employment —or some who have not had employment— and offered their services to the country. I refer both to those who were not able to measure up to the requirements for enlistment, who want to serve their country but cannot, as well as to those who have enlisted and those 15,000 who have been discharged for lack of physical fitness. The government has a big responsibility to these two classes of our citizens. I believe a special endeavour

should be made to see that they are re-established in civil life, if not in military life, in positions which will enable them to maintain and look after their dependents. Surely they have earned our thanks to that extent. In many instances the dependents of these men are in difficult circumstances, on account of the absence from home of sons and brothers. I have had several applications made to me personally to see if something could not be done on behalf of poor widowed mothers whose only sons were fighting for our country, but who were not given compensation because before enlistment their sons either were too young to work and support them or had not been able to obtain employment which would enable them to do so. These cases merit the attention of the government.

I was alarmed to read of the recent catastrophe in the county of Kamouraska, in which three of the six airmen who jumped from a plane were lost. I have learned also that aeroplanes, Harvards from Winnipeg and Lysanders from Toronto, are being operated without radio equipment. May I ask if this is deemed wise, or whether every aeroplane sent into the air should not possess proper radio equipment with which to follow the beam, ascertain its location and receive assistance in landing. I understand it is a practice of the air force that if an aeroplane gets into difficulties and the men have to jump, flares first should be thrown out in order that the nature of the terrain below may be ascertained; then the aeroplane circles round and those who must jump are given some guidance. What precautions were taken in this instance. I should like to know also what training was given the airmen, before they ascended, with regard to emergencies of this kind. Were they instructed as to what they should do if they had to jump? With what equipment were they furnished? The government owes it to the people of Canada to make public this information, because some inquiries have reached me as to these very points.

This afternoon I should like particularly to deal with that portion of the amendment concerning agriculture. The other day the hon. member for Peterborough West (Mr. Fraser) said that in his opinion the farmer was the forgotten man. I do not quite subscribe to that view, but I believe the farmer is called upon to do more for our war effort than any other man in Canada. To-day the farmer is carrying on in an era of increased living costs, higher taxation and higher labour costs. He must even submit to daylight saving, although he does not like it.

I should like to direct attention to a publication with which the government must be familiar. It is printed under the authority of the Minister of Trade and Commerce (Mr. MacKinnon), I understand through the agricultural economics branch, and contains information which, I believe, has been overlooked by many of us. It sets out the index figure of the cost of living to the farmer in Canada and the index figure of the wholesale prices of the commodities he sells. It tells a sad story, which, if looked into, would convince the hon. member for Renfrew North that the farmer, instead of being discontented, is long suffering, and that we should take up the cudgels on his behalf.

The article to which I refer gives us this information from 1913 up to the present time. I do not intend to give the figures from year to year, but I am going to give enough of them to portray in a general way how badly agriculture needs some assistance from the government. As the normal year 1926 is taken. The cost of living in that year is set at 100, and the wholesale price of Canadian farm produce is given at the same figure. In 1930 we find that farm living costs dropped to an average of 94·3, but that the wholesale price of farm products dropped to 82·3.

Mr. McNEVIN: Give us the figures for 1932 or 1933, please.

Mr. BOUCHER: I should like particularly to compare 1930 and 1935, but the figures for 1932 were 81 for the average cost of living and 48 for the prices of farm products. In 1935 the index figure for living costs was 81·5, while the average price of farm products was 63·5. Let us come to 1939 and take both the spring and the fall. In the spring of 1939 the average cost of farm living was 82·2, while the wholesale price of farm products was 65·5. In the fall the cost of living was 81·9, while the wholesale price of farm products was 58·4. In the spring of 1940 the average cost of farm living was 87·2, while the wholesale price of farm products was 72·1. This fall the cost of farm living is 89·2, while the wholesale price of farm products is 62·7.

If we analyse these figures we find that since 1926 we have had a decrease in the cost of farm living of 10·8 per cent, but a drop in the wholesale price of farm products of 37·3 per cent. Since the spring of this year the cost of living to the farmer has risen by 2 per cent, but at the same time the wholesale price of his products has fallen by 9·4 per cent. I should like to refer these figures to the Minister of Agriculture (Mr. Gardiner). This is a government publication, issued by the Minister of Trade and Commerce in collaboration

with the Department of Agriculture, and I think these figures speak louder than any words of mine.

This is not the case in connection with our industrialists or in connection with labour. If we go to a restaurant and buy a meal, we find that prices have increased from 30 to 50 per cent. If we inquire into the price paid for any of the farm products entering into that meal, we find that there has been a decline. But someone may ask: What did the Minister of Agriculture, acting as Minister of Trade and Commerce, do as far as the British market was concerned? He went to England. He did that upon which we would all like to congratulate him. He secured a market in England for our bacon, our cheese and various quantities of our farm products at prices not as big as we would like, but big enough to satisfy us, under the circumstances. The people of Canada, and particularly the farmers, do not want our government to exact the last dollar from the motherland, even for farm products.

The very day the minister announced the prices, upon his return, prices of our produce fell to a point described by a local newspaper as the lowest level reached in a number of years. What are we going to do about this? The government has pegged the price of wheat; it has pegged the price of cheese, but it has paid no consideration to the spread between the price the producer gets and what the consumer pays. As a result of that decrease in price levels, the present spread in price is much greater than it was before the agreement was negotiated. The government would be well advised not to get a better price from England, but to see that the price we do get from England is conveyed properly to the producer in Canada.

Mr. HANSON (York-Sunbury): Cut out the middleman.

Mr. BOUCHER: Someone says, "Cut out the middleman." I do not entirely agree with that. But I do say, "Cut out the exorbitant profit being paid to somebody." Let us consider the price of pork, or the price of almost any other product the farmer has for sale in the fall of the year. Let us compare the price he receives with the one the middleman receives in the spring, and we soon realize who makes the profit. When the farmer offers a product for sale, the price is low; when that same product is offered for sale by the middleman, the price is high. Certainly our government could do much on behalf of our agriculturists in that regard.

What has arisen from this neglect of the farmer? The last offer of bonds showed that the farmer was incapable of buying them. He had no money to buy them. He cannot hire help, for two reasons, namely, that he cannot pay the salary, and could not secure the men even if he could afford the salary. He is incapable of producing a quality product because he cannot afford to pay for the necessary finishing feeds.

I do not wish to delay the house longer, but it is my firm conviction that one of the best ways of sponsoring our war effort is that of building up the foundation industry of our country, that of assisting the agriculturist first, last and always. Our government could well afford to offer some leadership and show some activity in that regard, rather than spend the whole of its time on the letting of contracts to big industrial concerns.

On motion of Mr. Golding the debate was adjourned.

On motion of Mr. Mackenzie King the house adjourned at 5.58 p.m.

Monday, December 2, 1940.

The house met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 6, to incorporate the Alberta Provincial Bank.—Mr. Blackmore.

PRINTING OF PARLIAMENT

JOINT COMMITTEE—CHANGE IN PERSONNEL

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

That a message be sent to the Senate to acquaint their honours that this house has substituted the name of Mr. Dupuis for that of Mr. Cloutier to act on the part of the House of Commons as a member of the joint committee of both houses on the printing of parliament.

And that the Clerk of the House do carry the said message to the Senate.

Motion agreed to.

THE WAR

STATEMENT OF PRIME MINISTER WITH RESPECT TO PRESENT POSITION

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I have been asked, before parliament adjourns, to speak again on the war in Europe, on the present position of Britain and on Canada's co-operation in meeting the situation with which Britain is faced.

I doubt if there is much, if anything, I can add to the statement I made three weeks ago and to the very complete reviews since made by my colleagues in the government.

The fact, however, that events or the reports of the past week or two should cause the leader of the opposition (Mr. Hanson) to express the opinion that the situation itself has greatly changed within that period of time affords perhaps the strongest of reasons why the house and the country cannot be reminded too often that the present is not a war of weeks or of months, but of years, and that this fact must never be lost to sight in viewing the fortunes of war abroad as they vary from place to place and from time to time. Moreover, as we seek to estimate the significance of our own effort in its relation to the future as well as the present, we must always remember that the demands upon this country and this continent may, a year from now, be vastly different in their application and extent.

As we ponder the magnitude of the struggle and of Canada's contribution, it is more than ever necessary to view isolated events in their relation to the whole, to correlate all the factors of time and place, and to maintain throughout a due sense of proportion and a true perspective. Sunshine and shadow are bound to alternate on the wide horizons of a world war. It is inevitable that there will be periods of success and periods of reverse. We would be foolish if we became unduly elated by an immediate triumph; we would be even more foolish if we became depressed by a momentary loss.

Recently many statements have been made in the press, in parliament, and over the air, by members of the government of the United Kingdom and other leading Britons. Some may seem pessimistic, others may sound optimistic. The truth is, of course, that there are many matters which give us grave concern. There are also many things to cheer us. If statements sometimes sound pessimistic, they reflect the willingness of British leaders to speak the truth, and the capacity of the British people to stand the truth. If to some they appear occasionally almost too optimistic, they reflect the courage, the hope and the determination of the British people and their refusal now, or at any time, to consider the prospect of defeat.

It has been the duty of my colleagues and myself, as it would be the duty of any government, to try to see the war steadily, and to see it whole. We have sought never to lose the ultimate in the prospect of the immediate; always to remember that what may appear best to serve the apparent interests of the present may be of ill service to the future. From the very beginning the policy of the present administration has been to plan, in cooperation with the government of the United Kingdom, for a final victorious outcome of the struggle.

Let me give an illustration, the force of which will be immediately recognized. Had we been guided by vociferous demands that were made at the outset, we would have concentrated our effort, our wealth and our strength on recruiting large numbers of men for service in the army overseas, rushing them across the ocean, with conscription as probably the only method of maintaining large supernumerary armies in the field. That might have served to meet a certain clamour of the hour, but, in the long run, it would have made for disunity in Canada, and in meeting Britain's need, proven to be, in large part, wanton waste. Instead of aiding Great Britain, as we are doing to-day, with our forces in the air and at sea, with munitions, with ships and with other equipment, materials and supplies in ever-increasing measure, we would have placed upon a beleaguered island the added burden of feeding numbers of men not required at the present time.

We did not yield to the clamour. The government, instead, laid its plans for a balanced development of all branches. We built up an air force and a navy, as well as an army. We developed war industries, and we conserved exchange for the use of Britain and ourselves. While planning for the battles overseas, we have also been mindful of our own shores, and the dangers with which they may at any moment be beset as the scenes of conflict change and war's terrors become intensified. This type of planning does not lend itself to display. But it brings real results in the end. As it is inevitable that the war will be long, it is equally inevitable that the results of a sustained effort can be realized only with the passage of time.

While it is true that neither Great Britain nor Canada nor the neutral countries which were invaded foresaw the course of events, it still to-day remains an incontrovertible truth that the broad outlines of British strategy for ultimate victory as planned from the outset are and were fundamentally sound. They contemplated a war, not of months but of years. They envisaged an increase in and the extension of the theatres of military operations. They visualized the necessity, not only of preserving freedom, but the necessity and the obligation to restore it.

From the very beginning, in presenting to this house and to the country the situation as I have had reason to view it, I have tried to speak not from impulse but from reflection. It is true I have not sought to be talking all the

time. I have hoped that my words might carry the greater weight because they were not too freely and too frequently expressed. I have attempted, in so far as opportunity has permitted, to assess and to weigh the essentials. In almost every statement I have made about the war, I have said the struggle would be long and hard and terrible. I have told the people of Canada how much more serious the war would be than, in its early stages, many people seemed to realize, or have yet fully realized. I said that it would be a war, not of months but of years; that it would not be confined to Europe, but must inevitably spread to other continents; that at the back of all was the intent of world domination. I said, too, at the very outset that the nations of Europe, by placing their faith in neutrality, would find, as a consequence of their blindness and aloofness, that their own national existence might disappear.

In official pronouncements this house and the Canadian people have been told repeatedly that supremacy in the air was necessary for effective defence, and for the final offence which alone can gain victory. They have been told with equal emphasis that effective blockade, through the maintenance of British sea power, was essential, not only to victory but to survival. Above all, month in and month out, I have said with all the force at my command that freedom on this continent was inseparable from the preservation of British freedom; also that the preservation of British freedom was inseparable from the restoration of human freedom wherever it has been destroyed. I might add that the corollary is equally true. The restoration of human freedom depends upon the preservation of British freedom until the day comes when the forces of freedom, under the leadership of Britain, having mobilized their full strength, march forward to victory.

I have felt impelled to make these preliminary remarks because of the words used by the leader of the opposition (Mr. Hanson) on Thursday last in requesting me to make a further statement to the house. My hon. friend said:

> In my view, in the view of many hon. members of this house, and I feel quite certain in the view of many people in Canada, the war situation in Europe is more serious to-day than at any time since the fall of France.

May I say at once, and most emphatically, that such is not my view. My view is rather as I expressed it in my reply to the leader of the opposition at the beginning of the debate on the address. There can be no doubt in the world that the situation for Britain and her allies is much better to-day than it was, not only at the time of the signing of the armistice between France and Germany, but as it developed in the months which immediately followed the fall of France. Even Hitler was not prepared for the speedy capitulation of Norway, Holland, Belgium and France. While the rapidity of those events shocked us, let it not be forgotten that it surprised Germany as well. If we were unprepared for it, so were the Germans. If Hitler's plans had been in accordance with such a schedule, it is easily conceivable that German armies might have landed on Britain's shores. It is possible that the resistance which could have been offered immediately after the evacuation of Dunkirk would not have been equal to the awe-inspiring task imposed upon it.

When France signed the armistice she believed, and most of the neutral European countries with her, that all was over with Britain as well as with herself. The great tragedy is that France did not know the truth. Believing that the enemy was invincible, she preferred surrender to the prospect of annihilation. In the United States, majority opinion was swayed for a time by the fear that Britain would be powerless to withstand so formidable a foe. It doubted her power to resist. The American people were asking themselves whether it might not be more prudent to retain the weapons of war, even though they were so desperately needed by Britain, in order that they might defend themselves against a peril which would become irresistible once the peoples of the British Isles were vanquished.

All that has changed, and changed completely. During the last three months, unsurpassed in the history of Britain, it has become increasingly clear that German mentality has never really understood the British people. Once again the men and women of the British Isles have revealed their dauntless courage and their ability to fight, and to endure, when their freedom is endangered. Like Cromwell's Ironsides, "They know for what they fight."

When we reflect upon the improved position in the Mediterranean, almost unbelievable three months ago; when we recall the transfer of the American destroyers; the enormous increase in war materials which are flowing from the United States and Canada to the island fortress; when in addition to witnessing the fruits of Canadian planning, we have also the certainty of the continuance of the policy of all possible aid to Britain confirmed by the vote of the American people, how can anyone come to feel, in the light of these

facts—which are not the confidential property of the government, but all a matter of public knowledge—that the situation is more serious to-day than it was three or four months ago? It is true that the war is increasing in its fury. But it is also true that in the months that have elapsed since the downfall of France, Britain's strength has steadily increased.

The leader of the opposition has specified three things which he says indicate the seriousness of the position, and which evidently justify in his mind the opinion he and some others hold in regard to it. He referred first to what he described as "the virtual destruction of the cities of Birmingham, Bristol and Southampton"; secondly, to the loss of shipping as evidenced by press reports; and, thirdly, to the "utterances of the Marquess of Lothian, His Majesty's representative in the United States, particularly with respect to finance."

Let us see whether the facts with respect to these matters justify the conclusion my hon. friend, and those who think as he does, have reached. Here I hope hon. members will also have in mind what I have so frequently stressed, namely, that whatever is said in the parliament of Canada, while intended primarily for home consumption, may also be not without its influence upon Britain's actual or potential enemies. I shall leave hon. members to judge for themselves what the effect here or in Great Britain would be were word to be sent broadcast from a high source in Germany that, through British bombing, three or more of the leading industrial cities of Germany had been "virtually destroyed."

First, then, as to "the virtual destruction of the cities of Birmingham, Bristol and Southampton." May I say to my hon. friend that, even in the most glaring headlines of the more sensational newspapers of this continent I have seen nothing, and in the accents of the most vociferous radio announcer I have heard nothing, which would justify either the assertion or the assumption that the cities of Birmingham, Bristol and Southampton have been virtually destroyed. Much less will the press dispatches themselves justify a belief in anything of the kind. Certainly nothing in the official reports which have come from Britain to Canada supports such statements. There have been, of course, within the last few weeks, serious air raids upon each of these, and other British cities, notably Coventry. Birmingham is a city of 1,055,000 people, Bristol of 415,000 people, Southampton of 178,000 people. Coventry is a city of 204,000 people. The figures published in the press in the case of Coventry, about 400 dead and 1,800 injured, are correct. I am able to say that the casualties in the other cities are relatively much lower. What is most important, there was, in these raids, surprisingly little damage to military and industrial objectives.

It is true that night bombing presents a problem which has not yet been solved. It is true that darkness, while it denies to the marauder the opportunity of discriminate destruction, adds to his opportunity of indiscriminate murder. Against the successes which the enemy may claim for his ruthlessness, there must be offset what it has cost him in men and in planes. The percentage of British losses, both in the British Isles and in Europe, has been many times less. Moreover, Germany, by pursuing the policy of frightfulness, has greatly challenged the spirit of the British people. In the final analysis the war will be won by national character. By his murderous tactics, Hitler has succeeded in showing to the world that a German victory is impossible.

It is true, as Sir Walter Citrine said the other day in New Orleans, that the continuous bombing of British cities is having an effect upon British industrial output. But the damage to British towns and industry can be exaggerated, just as the damage to German military objectives can be minimized. Night after night for months the Royal Air Force, flying, it is true, much greater distances, in smaller numbers, and carrying fewer bombs, have been nevertheless resolutely following a clear line of effective destruction.

It was announced from London some weeks ago that the bomber command of the Royal Air Force had been following a "master plan" in aerial attacks upon targets of strategic and industrial importance in German and German-occupied territory. A glance at the map will at once make it clear that the area open to attack by British planes is large, it extends in fact from the coasts of Norway to the Spanish frontier, and far inland to the industrial heart of Germany, and that the flying distances are correspondingly great. British heavy bombers have in fact flown single journeys of as much as 700 miles from their home bases, carrying them beyond the heavy industries of the Rhine valley to the important Skoda armaments establishments at Pilsen. They have crossed the Alps to bombard the industrial capitals of northern Italy, at Turin and Milan and elsewhere. They have attacked repeatedly—eighty or one hundred times since midsummer—synthetic oil refineries such as Gelsenkirchen; aluminium factories, railway marshalling yards—that of Hamm is one of the largest on the continent—docks and shipbuilding yards—the port of

Hamburg is reported now to be unserviceable —the naval bases at Kiel and Wilhelmshaven, power stations, and a variety of other objectives.

Nearer at hand, since the coast line of the low countries and of most of France fell into enemy hands, the Royal Air Force has smashed repeatedly and relentlessly at the "invasion ports" of Lorient, LeHavre, Boulogne and Dunkirk. In these ports, submarine establishments and concentrations of barges intended for troop transport on a large scale have been steadily attacked, and on at least two occasions the unceasing vigilance and rapid striking power of the bomber and coastal commands defeated German attempts to launch a sea-borne invasion from this part of the channel coast.

I have said that the area open to British attack is large, and that the flying distances involved are great. By contrast, the area for German attacks is much more limited, and, since the channel coast affords nearer bases for German aircraft, the flying distance is considerably less. Partly for this reason, very large numbers of German planes have been employed in recent raids, and it is a tribute both to the fighting skill of British pilots and to the increasing destructiveness of ground defences that so small a proportion of German planes have actually succeeded in penetrating outer defences to attack key targets in Britain. German losses in operational planes have been large, but the more serious loss has been in terms of pilots and air crews. It can, of course, be argued that even numerically, superiority in bombing and fighter aircraft will not provide a guarantee against aerial invasion and aerial bombardment. What is certain is that as British aircraft production, aided by a steady flow of pilots from Canada and planes from the United States and Canada, succeeds in narrowing the gap in effective strength between the Royal Air Force and the German air force, the effect of German attacks upon Britain will be diminished, and the scale of British attacks upon enemy and enemy-occupied territory will be correspondingly increased.

Much the same is true of "the loss of shipping as evidenced by press reports," and of the limitation upon financial resources. To view these factors in their true perspective, their extent has to be measured first of all in its relation to the whole, and, secondly, in comparison with losses and shortages which the enemy has experienced and may reasonably be expected further to experience.

The shipping situation is serious, but that does not mean it has suddenly changed the outlook. It is true that, in recent weeks, shipping under British ownership and control has been lost at a rate greater than the present capacity of British shipyards to build new ships. Nevertheless, thousands of ships remain, and men and supplies are freely carried where allied necessity calls. British shipyards are working at full capacity, and in addition to British shipyards, Canadian, Australian and American shipyards are building merchantmen and other ships for Britain. The House of Commons has already been told by the Minister of Munitions and Supply (Mr. Howe) that in addition to the naval construction under way in Canada for the British admiralty, eighteen merchant vessels are also to be built here for the British government.

In his speech on November 5, Mr. Churchill spoke plainly about the growing shipping problem. Since then, the British Minister of Shipping, Right Hon. Ronald Cross, said in a broadcast on November 26:

> I am not going to hide the fact that the rate at which we are building ships does not make up for our losses.

Mr. Cross was, however, careful to add that orders were being placed in the United States. The real significance of his words is to be found in the sentence with which he concluded:

> We must have ships. We cannot make too sure of our shipping in the months and years that may elapse before victory is assured. We must have a safety margin.

The result of the frankness of Mr. Churchill and Mr. Cross is reflected in our own present commitments, and in the additional keels that will be laid down every month in the shipyards of the United States and of the British commonwealth.

Let it not be forgotten that Germany, too, has suffered considerable shipping losses. Almost daily we hear of another German supply ship sunk off the coast of Norway, in the North Sea, or in the channel. German shipping and German barges have been bombed repeatedly in the channel ports. The great German shipyards at Hamburg and Bremen, and even in the Baltic, have been visited again and again by the bombers of the Royal Air Force. In the Mediterranean the Italian shipping losses have been heavy. On the high seas, German and Italian merchantmen have disappeared. I do not think they will take any part in the world's commerce until this war is over.

The British navy is still supreme on the seas of battle. Although the British navy in this war, single-handed, enforces the blockade, and although the coasts to be blockaded are more extensive, nevertheless the blockade is proving its effectiveness. Apart from Russia,

there are no neutral countries to which Germany can turn with confidence for imported supplies.

The vast quantities of supplies which Britain requires from north America to supplement the deficiencies of her own production must, of course, be paid for, and, when ordered from the United States, they must be paid for in American dollars. The problem of providing United States exchange which faces the British government is a very real one.

To view in its true light the statement by Lord Lothian to which the leader of the opposition has specifically referred, it must be recalled that what the British ambassador said about Britain being near the end of her financial resources and about the need she would have for financial aid, had reference to British purchases in the United States.

The problem of providing United States exchange which faces the British government is a problem which also faces our own government; for we too must provide for vast outlays of United States dollars to pay for our purchases of essential war material. Later this afternoon, the Minister of Finance (Mr. Ilsley) will propose certain measures which, at this juncture, seem to the government necessary in order further to conserve our supply of exchange for this purpose.

It may help us to view the financial problem in a true perspective if, as with bombing and with shipping losses, we make comparison with the situation as it is in Germany.

While it is true that Britain and Canada are faced with the problem of providing exchange to pay for their purchases in the United States, it is also true that in the United States we have access to the greatest industrial resources in the world.

What is the German situation? Germany, of course, has acquired the industries and resources of France, Belgium, Holland and Czechoslovakia, but outside the borders of Germany and the territories she has conquered she can look to only two important outside sources of supply—Sweden and Russia. The capacity and the willingness of Russia to spare supplies to Germany is very doubtful. In the conquered territories she must keep the workers alive if they are to continue to produce. She must face, too, the ever-present hazard of sabotage.

In many essentials Germany has, through sacrifices of her standard of living and through conquest, made herself self-contained. But, as the British Minister of Economic Warfare, Right Hon. Hugh Dalton, pointed out in a broadcast yesterday, the blockade has imposed upon the enemy "serious shortages of rubber, copper, ferro-alloys needed to harden steel, and textiles." As for oil, Mr. Dalton had this to say:

> So long as the British navy continues to command the sea, including the eastern Mediterranean, as it will; so long as our air force continues, as it will, to bomb the enemy's oil plants, oil stocks and oil refineries; and so long as the enemy continues to fight at all—and he cannot fight without using up oil—then in a period measured in months and not in years the enemy's oil position will be one of great and growing scarcity.

Mr. Dalton also stated that the stocks of supplies looted from the conquered nations had been used, and that, through the blockade, the Germans were "now back where they were six months ago, or worse."

Nor would Germany's position be materially improved even if she could command the financial resources to which Britain still has access. Germany is in fact unable, except at the cost of fighting and the loss of the men and materials of war, to obtain some of the essentials of war.

Despite these weaknesses, no greater mistake could be made than to minimize the economic gains which have resulted from the German conquests. They can be balanced and exceeded only by the economic and industrial resources of this continent. Whatever difficulties of a financial nature we may be facing, Germany is denied all access, both financial and physical, to the potentially decisive North American sources of supplies.

Perhaps, before concluding, I should say one word about the situation in the Balkans and the Mediterranean. As I pointed out at the beginning, we must keep constantly before us the conflict as a whole. The accession under duress of Roumania, Hungary and Slovakia to the axis adds no new strength to the predatory powers. Even if it did, the abstention of Yugoslavia and of Bulgaria has far greater significance.

It will be recalled that in his statement to the House of Commons on November 5, Mr. Churchill mentioned that the balance of forces on the frontiers of Egypt and the Soudan was far less unfavourable than at the time of the French collapse. So far as subsequent information has been made public, it can be said that the British position has been strengthened on all fronts.

The amazing success of the heroic Greek people, reviving as it does the memory of their ancient glories, has not made the European situation more serious than it was. The successes of the Royal Air Force and the British Navy in cooperation with the Greek forces have not advanced the cause of Italy and Germany. The state of affairs in Albania,

the disorder in Roumania, and the reluctance of Yugoslavia and Bulgaria, have not greatly aided Hitler in the creation of his new order for Europe.

While what I have said may help us to keep a truer perspective as regards immediate happenings and dangers, what I wish most of all to emphasize is that this is only the picture as it presents itself at the moment, and that no one can foretell to what proportions of danger, peril and frightfulness it may develop at any time. Like the ostrich which hides its head in the sand to escape realities, we shall completely err if for a moment we fail to recognize how appalling is the danger which threatens, not only Britain, but civilization, and be tempted thereby to relax any and every effort to put forth the utmost of our strength.

Above all else, let us remember how formidable is Germany's present military strength. There has never been anything hitherto comparable to it. Let us remember, too, that her great armies are undefeated; that they are equipped with all the machines of modern warfare; that, excepting Switzerland, all of Europe west of the Vistula, and extending from Sweden to Portugal and Spain, lie under her control. Her own resources of factory and of mine, of men and materials, have been reinforced by the material power of the nations which she has conquered; to her millions of soldiers and workmen has been added the man-power of the lands she occupies, however reluctant the men of Norway, of Holland, of Belgium, and of France may be to turn their spears against the breast of freedom. To adopt the graphic words of Mr. P. J. Philip, the Ottawa correspondent of the New York *Times,* who speaks from knowledge gained in the very smoke of the battle of France:

> . . . we also know, and every man and woman making munitions, and every man in training as private and as officer should remember every morning, that that terrific force of men and machines which broke the French and Belgian armies last May, and sent us scurrying home from Dunkirk is still intact, possibly stronger than ever, and it is that force which we are fighting now almost alone. It is going to take all, that all of us can give, to beat it.

Upon the forces of Britain has been placed the greatest task in the history of the world. She has to watch and fight, she has to fight in the British isles and in the seas that surround them, she has to fight in the Mediterranean, in the middle east, in Africa; she has to watch the far east, in Hong Kong, in Singapore; she has to keep India constantly in mind. Anywhere, at any time, she may find it necessary to send ships and men to meet a new threat to her lines of communication and supply, or to face fresh horrors in some distant quarter of the globe.

This bare recital of facts proves, of course, that the situation is serious, but certainly not more serious than it has been during the last three months. The only difference is that people themselves in all parts of the world are beginning to realize more of the truth. The situation is bound to become increasingly serious as warfare spreads to new seas and shores and as mutual destruction continues, as it most certainly will, with ever-increasing fury. It is wholly probable that we shall witness much of anarchy as well as of war ere the death-grapple between totalitarianism and democracy has told its tale.

No one can say that the world, even now, may not be heading for Armageddon. The one thing that, under the providence of God, may save the world this supreme tragedy is the might of Britain, strengthened, supported and sustained by the power of the British dominions and India, the help of the United States, and such aid as it may yet be within the power of other liberty-loving peoples to give. To use words I have just quoted: In order to overthrow the enemy and to save mankind "it is going to take all, that all of us can give."

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I am sure we have all listened with the greatest of interest to the recital which has just been made to the house and country by the Prime Minister (Mr. Mackenzie King). When on Thursday last I ventured to suggest to him that we should have a report from the government as to the war situation, I had in mind, as I indicated, the seriousness of the reports that were coming to us, and I also had in mind the fact that he as the Prime Minister of Canada, being in intimate communication with the mother country, would of course have information which he might deem to be available to the public of Canada in order to give us a true picture of what the situation was. That was the primary idea I had in mind. I asked the Prime Minister to divulge information to the house and the country.

To-day the right hon. gentleman has made a long statement, with most of which I may say we were already familiar through press reports. He has not given us anything of a confidential character—and it may be that he is not able to do so. I make no complaint on that score. Nor do I make any complaint as to the manner of his presentation of the report. He rather scolded me; but I must say what he said on that score left me cold, and I am not going to discuss that phase.

What did I say on Thursday last? I said, as the Prime Minister has quoted:

In my view, in the view of many hon. members of this house, and I feel quite certain in the view of many people in Canada, the war situation in Europe is more serious to-day than at any time since the fall of France.

I then indicated what I have already suggested, namely, that he should give to the house and country such information as was available to him, and which he felt he might with safety reveal to the Canadian people. I went further and said that having regard to the premises which I had laid down I should like him to outline what, if anything more, Canada could do at this juncture toward aiding and assisting the mother country in her war effort, whether it be in the nature of men, materials, supplies or equipment. There has been absolutely no answer to that inquiry.

What was the attitude of the Prime Minister on Thursday last, as contrasted with his position to-day? To-day he told us in emphatic terms that he does not agree with the premises which I then laid down. Well, what did he say on Thursday? Speaking without any notes, and speaking evidently the truth as he then saw it, and expressing the views which were then in his mind, he said:

I would say to my hon. friend that I have had in mind making a statement to the house before adjournment with respect to the situation.

The Prime Minister was of course referring to the war situation. He continued:

I should like to have a little time to think over what it would be best to say. I agree with my hon. friend in his view that the situation is a serious one.

He concurred in that view. He concurred in my statement that the situation was more serious than at any time it had been since the fall of France. Then he continued:

I think anyone reading the press would gather that opinion. I would also say that such information as the government itself is receiving the press would appear to be reflecting accurately.

I suggest, with all due humility, that the two points of view do not agree.

RADIO BROADCASTING

TRANSRADIO PRESS SERVICE—ACTION BY CANADIAN BROADCASTING CORPORATION

On the orders of the day:

Mr. KARL K. HOMUTH (Waterloo South): Mr. Speaker, I should like to ask the Minister of Munitions and Supply (Mr. Howe) if he has anything further to report as to the attitude of the Canadian Broadcasting Corporation with regard to Transradio news? Have they come to any definite decision?

[Mr. R. B. Hanson.]

Hon. C. D. HOWE (Minister of Munitions and Supply): My understanding is that at its last meeting the board appointed a special committee to make further investigations and to deal with the matter. Certain official information came to the attention of the board while it was in session which seemed to require special consideration, and it was decided that a committee should deal with the situation.

TRADE AGREEMENTS

INQUIRY AS TO TABLING OF AGREEMENTS WITH BRITISH GOVERNMENT RESPECTING BACON

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): May I ask the Minister of Agriculture (Mr. Gardiner) if he will table the bacon agreements at once? On November 14, as reported on page 101 of *Hansard,* I asked the minister if these agreements would be available and he said that they would be tabled as soon as they were in shape. On November 27, thirteen days afterwards, I addressed a question to the Minister of Justice (Mr. Lapointe) in the absence of the Minister of Agriculture asking when this year's and last year's agreements would be tabled. The Minister of Justice promised to convey my request to his colleague, but these agreements have not yet been tabled.

Hon. J. G. GARDINER (Minister of Agriculture): There are some features of the agreement which have yet to be discussed with the other parties concerned before it can be brought down. As soon as that is done, both agreements will be brought down.

WAR MATERIALS

REPORT AS TO ESTABLISHMENT OF CHEMICAL PLANT IN SASKATCHEWAN

On the orders of the day:

Mr. A. M. NICHOLSON (Mackenzie): I should like to address a question to the Minister of Munitions and Supply. The Saskatoon *Star-Phoenix* of November 28 carries an Ottawa dispatch to the effect that the government is considering establishing a six million dollar chemical plant at Bladworth, Saskatchewan. Has the minister any statement to make in connection with this report?

Hon. C. D. HOWE (Minister of Munitions and Supply): I said in the house a few days ago that I knew nothing about this project. I received a notice of my hon. friend's question a few minutes before I

came into the house, and I telephoned to two or three of my officers, but they knew nothing about it. I am afraid I cannot give my hon. friend any information.

WAR BUDGET

PROPOSALS OF MINISTER OF FINANCE FOR CONSERVATION OF FOREIGN EXCHANGE

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

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

He said: Mr. Speaker, I wish this afternoon to propose certain measures having for their purpose the conservation of foreign exchange for the purchase of essential war-time imports.

The house will remember that in the last budget a careful review of our foreign exchange position was given and certain measures were recommended for the purpose of increasing our receipts of foreign exchange and cutting down our use of it for non-essential purposes. At that time it was indicated that certain other measures would have to be adopted as and when circumstances seemed to make them necessary. Some further action has already been taken but the time has now come when other substantial measures are required. In order to enable the house to appreciate their necessity, it will be desirable for me to run briefly over our foreign exchange policies since the war began and to indicate the position at which we have now arrived.

First, however, let us recall the nature of the problem. Foreign exchange means, essentially, the money of other countries, with which we can buy goods in those other countries or make payments to people there. It is not like our own money, subject to the control of our national government. We can only obtain it by selling things to other countries, or by getting payments from them for services rendered, or by borrowing it. We cannot simply go and buy it with our own money. People in other countries cannot use Canadian money for their own internal transactions and naturally they do not want it merely to keep or to hoard—they want it only to buy things in Canada, or to make payments in Canada for services rendered to them by Canadians. Consequently, if we face a shortage of foreign exchange as a result of normal commercial and other transactions, we must bridge the gap between receipts and payments temporarily by using up our reserves of accumulated foreign exchange, for example, our bank balances in foreign countries or our gold reserves, or by selling foreign assets for foreign exchange. We can only reduce this drain upon our reserves, this gap between receipts and payments, either by selling more to those in other countries, or by buying less from them, or by suspending payment of our obligations to them or by borrowing from them. There is no other or easier way. The individual who wants foreign exchange can go and buy it—if he wants more he pays for more—but the total amount available to other Canadians is correspondingly diminished. The country as a whole can obtain more only in the ways I have described.

Formerly, one could freely convert one kind of foreign money into another so that we could, for example, use a surplus of pounds sterling to get American dollars merely by selling the sterling exchange in New York. We used to do that before the war but it is no longer possible. We cannot to-day convert our surplus supplies of sterling into the American dollars we require. For that reason, as you will recall, a large part of our surplus sterling has been used to repatriate Canadian securities held in Britain so that Britain could get Canadian dollars, in exchange for sterling, without sacrificing too much of her precious reserves of gold and American dollars. Because we cannot convert funds from sterling into American dollars, our foreign exchange is now really divided into two fairly separate fields: sterling currencies, including sterling itself and other empire currencies—with minor exceptions—and, on the other hand, what we call "hard currency", including mainly American dollars and the other foreign currencies which in practice we have to buy with American dollars and which we can sell for American dollars. It is the "hard" currencies I mean to-day in talking about foreign exchange. They constitute the problem, and not sterling of which we have plenty from the proceeds of our exports to Britain and the empire.

Turning now to a review of our exchange policies it will be recalled that exchange control was instituted on September 16, 1939, within a week of our entry into the war. It was introduced primarily because the nature of our war-time foreign exchange difficulties—the scarcity of American dollars and the surplus of sterling—was foreseen and it was realized that control would be necessary to solve this problem. Furthermore, and of greater immediate importance, it was vitally necessary to guard against the danger of a substantial outward movement of capital from Canada. Residents of other countries have very large investments in this country, and neither in their best interest nor in ours could a large volume of such investments be allowed to be dumped on the Canadian market under war-time conditions. Even Canadians

themselves might have been tempted to invest part of their funds abroad as a personal hedge against the risks of war, or to speculate on the New York market. Any substantial export of capital, whether by Canadians or others, would have had two bad effects, both very serious. First of all, it would have used up our reserves of foreign exchange, as it is necessary to buy foreign exchange in order to export capital. We needed that foreign exchange to buy war-time imports from the United States. Secondly, it would have used up Canadian savings during the war, because someone in Canada would have had to buy the securities or other assets that were sold in order to export capital. We needed all our Canadian savings to help us finance the war.

The foreign exchange control board was established to carry out the control. The success of this control owes a great deal to the efficient organization which has been built up and to the very wholehearted cooperation that has been forthcoming from businesses and individuals both in Canada and in the United States, nearly all of whom have striven to observe both the letter and the spirit of the law.

The general policy followed in exchange control, up to June last, was simple in essence, though necessarily complex in application. It involved no restriction of import or export trade, of tourist trade, of the payment of interest or dividends or other current buisness transactions as distinguished from those on capital account. On the other hand, the board refused to provide exchange for the export of capital from Canada except within certain narrowly prescribed limits, and with certain exceptions for capital that had been invested in Canada after control was established. In order to carry out this restriction of capital movements it was of course necessary to scrutinize all dealings in foreign exchange and foreign trade by Canadian residents.

The board has attempted to avoid placing direct restrictions on the Canadian assets of persons living outside Canada and has not, for example, blocked the bank accounts here of non-residents, but has continued to permit non-residents to transfer them from one to another. It has been necessary, however, to place restrictions upon transactions between residents of Canada on the one hand and non-residents on the other hand, and this has restricted the sale of Canadian securities to Canadians by non-residents.

I should like to interject here that in dealing with the problem of foreign exchange and in administering foreign exchange control, we have tried at all times to accord fair and honest treatment to the residents of friendly countries. The paramount consideration is and must remain the effective prosecution of our war effort; and we have inevitably had to adopt certain measures which adversely affect the interests of non-residents. But we have avoided that type of measure which could be characterized as "taking it out of the foreigner". Callous disregard of the interests of friends who have trusted us would not only be bad in principle; it would be contrary to our own interests in the long run. I hope and believe that when the war is over all who have a stake in Canada, whether they are residents or non-residents, will be able to say that the war burden was fairly apportioned and that Canada is a country with which anyone might be proud to march into the new fields of development and constructive endeavour which we hope will open before us when peace returns.

At the end of April a further important step in exchange control was taken in order to place all our available liquid supplies of foreign exchange—but not such foreign assets as securities—directly under the control of the foreign exchange control board. This was done by the foreign exchange acquisition order which required residents of Canada to sell their holdings of foreign exchange to the board for payment in Canadian dollars. This included the Bank of Canada, which sold its gold and exchange to the board. Those who required a stock of exchange to carry on their normal business were permitted to retain enough for this purpose.

It was as a result of the budget in June last that the first measures were taken to restrict the use of exchange for other than capital transactions. By that time our imports from the United States had increased a great deal and the total payments made in hard currency for imports and other purposes was greater than the supply of hard currency that we were obtaining from our exports, tourist trade and sale of newly mined gold. The means adopted at that time to save exchange were the war exchange tax of 10 per cent on all imports except those from sterling countries, and the special progressive excise tax on automobiles. The war exchange tax, the principal measure, applied to all imports for which hard currency exchange was required and did not attempt to discriminate between essentials and non-essentials. The tax on automobiles applied to those produced in Canada as well as to those imported, but fell particularly upon the more expensive types which were made up much more largely of imports.

In July, shortly after the budget, a further measure was taken in the form of a decision

not to sell foreign exchange to Canadians for pleasure travel abroad. We were reluctant to do this, because we naturally wish to promote as much contact as we can between Canadians and their friends in the United States. Nevertheless, at this time the flow of American tourists to Canada was seriously disturbed by the confusion attending the sudden introduction in the United States of strict regulations concerning the entry even of tourists to that country and it was also disturbed by what appear to have been malicious rumours, spread possibly by enemy agents, concerning the restrictions and inconveniences they might experience in war-time Canada. With this reduction in our receipts of foreign exchange from the tourist trade coming on top of our previous scarcity of American dollars, we felt it was necessary to ask Canadians to give up the use of foreign exchange for non-essential pleasure travel outside of Canada.

It is estimated that this measure alone will save us approximately sixty million dollars in a full year, a figure which indicates its importance.

These were the measures taken to restrict the use of foreign exchange. We have also acted on the other side, by trying to increase our supplies of foreign exchange. First, in regard to exports in general, the Department of Trade and Commerce has been persistently searching for markets in the United States and elsewhere for Canadian goods, both primary products and manufactured products. Their efforts in this field are most recently exemplified by the present trip of the trade delegation, headed by my colleague, the Minister of Trade and Commerce (Mr. MacKinnon) to Latin America and the West Indies. In addition, the foreign exchange control board has gone to great lengths in arranging its controls so as to facilitate export trade as much as possible.

We have also stimulated the provision of exchange by gold production. My own department as well as the Department of Mines and Resources has kept closely in touch with the gold mining industry since the beginning of the war, and has impressed upon the industry the need of maintaining and increasing gold production. Particular provisions were made in the Excess Profits Tax Act to ensure that that tax would operate in such a way as to encourage the expansion of gold production. My predecessor in his June budget speech made a special appeal to the industry to increase its production. Finally, in July, I arranged a conference between representatives of the industry and several other ministers and myself to see that everything was being done which could be done to ensure maximum production, including the recognition of gold mining as an essential war industry.

Finally, and probably most important, we have endeavoured to maintain and extend our tourist trade, which is a very large source of foreign exchange. The work of the Canadian travel bureau has been expanded. A much larger and I think more effective advertising campaign in the American press was carried on. Strenuous efforts were made to coordinate and assist the work of the various organizations in Canada dealing with the tourist trade. And last but far from least we obtained the enthusiastic support of a number of local organizations, which helped a good deal not only to attract tourists to Canada in the first place but to promote realization of the need to see that they enjoyed themselves when they were here. I can assure hon. members that during the next twelve months no stone will be left unturned to assure the maximum receipts of foreign exchange by the promotion and development of this important industry.

The various measures we have taken have held down the deficit between our receipts and payments of foreign exchange but they have been outweighed by the continuous pressure of war-time demands increasing our imports from the United States. During the months preceding the outbreak of war our imports from the United States were in the neighbourhood of $40 million a month. For the past six months they have averaged $65 million, and in October they reached as much as $74 million. Our exports to the United States have increased from a level of around $27 million a month preceding the outbreak of war to the neighbourhood of about $40 million a month in recent months. Consequently, we have now a very large surplus of imports over exports, though the extreme figure of $35 million in October is undoubtedly abnormal. This deficit in our trade with the United States will this year be offset only to a small extent by a surplus on current account with other hard currency countries.

Of course there are other items in our balance of payments on income account which have to be considered in addition to merchandise trade. We are producing and selling to the United States newly mined gold in an amount which will probably reach or exceed two hundred million dollars this year, and I make no excuse for laying it as a patriotic obligation upon our gold-mining industry to increase that amount next year by every means known to the able and experienced operators of that industry. Then we have a substantial net balance of receipts from the tourist trade which is more difficult to estimate. In this connection I may say that the experience of the foreign exchange control board appears to indicate that in the

past our net tourist receipts have been overestimated. But even after making a substantial allowance for such overestimate, it is now quite clear that our net credit resulting from this trade during the present year will be substantially smaller than last year. We must, and I am sure we can, do a great deal to increase it by a very substantial amount during the coming year. On the other hand we have a substantial net debit on account of interest and dividends, amounting to something more than the value of our gold production. We have also a net payment of about fifty million dollars to make for freight charges and miscellaneous services.

While the inclusion of these four additional items may alter somewhat the picture presented by the balance of trade itself, nevertheless it is clear that we have a substantial debit balance in our current account transactions with hard currency countries, which under present conditions we cannot hope to see offset, except to a small extent, by the normal credits on capital account resulting from, say, the purchase of Canadian securities by foreign investors.

Mr. HANSON (York-Sunbury): Has the minister made an estimate of what the deficit will be?

Mr. ILSLEY: No. I do not feel that I should indicate that to the house or to the country.

Mr. HANSON (York-Sunbury): We shall have to guess at it.

Mr. ILSLEY: Very careful consideration has been given the question of the desirability or the possibility of giving that information to the house. It would involve stating exactly what our loss per month is in foreign exchange, which it is not desirable to make public.

For a complete understanding of the problem, the current drain on our exchange should of course be considered in the light of existing resources. You will not, however, expect that I should disclose the amount of our accumulated resources of gold and foreign exchange, a piece of information which would be of obvious interest to the enemy. These resources are being used and will continue to be used to ensure that our war effort is at no point thwarted. In the opinion of the government, however, they cannot reasonably be used to facilitate the continuance of non-essential imports. Nor do we believe that we would be justified in mobilizing and liquidating the substantial volume of foreign securities which are owned by our people, until at least a serious effort has been made to restrict our consumption of such non-essential imports.

[Mr. Ilsley.]

From this review of the problem as it exists to-day and as it has developed, it will, I think, be clear to all hon. members that we must immediately take further steps to curtail the use of hard currency exchange in the purchase of non-essential imports.

I wish to emphasize, however, that we have no desire or intention in the measures which we must take for war purposes, of implying any permanent change in our normal trade policies, the principles of which are well-known.

I must also point out that while we are temporarily compelled to restrict certain imports from our friendly neighbour to the south, this does not mean that our total trade with, or our total purchases from, that country will be reduced. On the contrary, our imports from the United States will certainly show a large increase next year over this year, and will be larger than ever before in our history. All that will happen will be a shift in the character of our imports—a reduction in non-essential imports for non-war purposes in order to make possible a substantial increase in our purchases of vitally needed war equipment and supplies. We regret the disruption which will necessarily occur in certain established trades across the border, but we are confident that any loss of a direct Canadian market which certain United States producers will suffer will be more than made up by an expansion in domestic purchasing power resulting from our purchases of war equipment and supplies in the United States market.

Having determined that the restriction of imports and non-essential goods is necessary, we must answer two further questions. What method shall be used for this purpose, and what imports shall be selected?

Regarding the methods to be used, the various possibilities have been the subject of study for some time. The method of tariffs or even of the type of tax which was used in the last budget was not considered appropriate for the drastic type of restriction programme which is now required. A second method is that of quota restrictions, which has been used a great deal in other countries, and notably in Europe, but by Canada scarcely at all. This method has much to be said for it when restriction must extend to essential goods and to raw materials which are to be used in industrial processes. In these cases some imports must be permitted and complete prohibition is therefore out of the question. Nevertheless, the use of quotas requires an enormous amount of administrative work and machinery, and a considerable degree of arbitrary action in awarding quotas to various importers. We considered it for a time in connection with a number of products. We

have finally decided not to use it in any formal manner but to apply the principle in some degree temporarily in connection with two or three classes of imports which are processed in Canada and where some time will be needed for these processing industries to adapt themselves to other materials. We have decided after much consideration to rely for our major savings upon the method of outright prohibition of a large number of what we consider, and I think the house will consider, imports that are not essential under present circumstances. This method will not require any elaborate machinery for its administration, nor will it involve any discrimination between importers in the awarding of quotas.

The selection of the non-essential imports is by no means an easy task in a country such as Canada which imports so many thousands of things. Our whole economic structure is dependent on the use of imports in nearly all its parts. Therefore it has been necessary to study very carefully the probable economic and social effects of curtailing the imports of the various articles which might be judged non-essential at first glance. In making up the list of goods to be restricted, the following principles have been borne in mind:

The articles prohibited should be such as consumers can legitimately be expected to do without in war time or for which their requirements can probably be met from the durable goods which they already have on hand.

The list should include finished goods rather than raw materials or parts or equipment for Canadian industries so that disturbance to Canadian industry and to those employed in it will be kept to a minimum.

Wherever possible, goods used by the well-to-do rather than those used by the mass of the public should be restricted.

The items should be such as to require a minimum of administrative machinery and action in order to carry out the restriction.

These principles have been followed in making up the list of imports to be dealt with. I may add that the task of compiling the list has been made somewhat easier by the fact that many of our imports of consumers' finished goods represent not essential supplies of the particular items but rather additional, and in many cases, superfluous varieties.

When we are in committee of ways and means I shall move two resolutions. The first of these resolutions precedes the introduction of a bill which will be entitled "The War Exchange Conservation Act." Appended to the resolution will be found two schedules, the first of which is a list of items, based on the tariff classification, the importation of which from all countries, except countries in the sterling area and Newfoundland, are to be subject to restriction. In respect of the items listed in part one of this schedule, no permits will be granted for their importation from hard currency countries. These are the really non-esential items and consist for the most part of finished gods. Part II of this first schedule comprises goods for which permits to import from hard currency countries will be granted temporarily but on a decreasing scale. This list includes, as I shall point out in a moment, several classes of materials which are used by Canadian industries. It is hoped that eventually the industries using these materials can change over to the use either of domestic materials or of other and cheaper imported materials, but it will take time for our industries to accomplish this adjustment, and in the meantime, therefore, imports will be granted but only for normal requirements. It is proposed to restrict the granting of permits only if the possibility of using other materials or materials from other sources has been fully explored.

There has been, perhaps inevitably, a good deal of speculation in recent weeks and months about the measures the government would find itself compelled to take to relieve the growing strain on the Canadian dollar exchange position. These speculations have led to a number of ill-advised and inaccurate forecasts.

I realize, sir, that there will be widespread surprise over the virtual omission of fresh fruits and vegetables from the list of prohibited imports which I am going to table. I realize, too, the difficulties which our fruit and vegetable growers have been encountering during the present year. My own environment, all my life, has been such that I understand and appreciate the problems of the fruit growers. But I should point out to the fruit and vegetable growers, and to members and others interested in helping them, that the measures to be introduced to-day are not for the purpose of assisting any producers, or any industry. They are not designed or intended to protect industry but to protect our exchange position, an entirely different thing.

The government has examined very carefully the possibilities of conserving foreign exchange by restricting imports without undue dislocation of the domestic economy and without jeopardizing the export markets in which we earn the foreign exchange required for the financing of a large part of the national war effort. I may admit frankly that we had

been weighing the advantages and disadvantages of including a number of fresh fruits and vegetables in the schedule to the resolution. It was recognized that cheap and abundant supplies of fresh fruits and vegetables have become an increasingly important element in the nation's diet, not only in the months when local supplies are freely available but pretty nearly all the year round. For a considerable part of our off-season requirements, many parts of Canada are dependent on imports from the United States. There are undoubtedly among these imports of fresh fruits and vegetables a certain proportion which can only be regarded as luxuries and a larger proportion which, while not a luxury trade in the strict sense of the term, represents supplies which under war conditions we could, if need be, do without. At the same time we had to remember our imports of fresh fruits and vegetables represent a very important export market for United States agricultural products and therefore an offset and protection to the even larger export outlets which our agricultural products enjoy in the United States.

I freely admit that, from the standpoint of exchange alone, the position of the government in respect of fruits and vegetables was difficult. While we had to weigh on the one hand the exchange that would be saved by the restriction of their importation, we had to weigh on the other hand the inevitable public reaction which there would be in many of the agricultural districts of the United States, the embarrassment this reaction would cause to a friendly and helpful government which has its own problems of agricultural surpluses, and the danger which would ensue not only to our own trade relations with the United States, not only to the market which our trade agreement with that country gives to so many of our primary producers, but to the whole trade agreement policy of the United States, a policy which affects the people of all nations and with which this government has consistently cooperated.

This aspect of the fruit and vegetable question was, I may say, forcefully brought home to us last week by the consequences of the publication of the Canadian Fruit Wholesalers' Association's circular communication to its members. On its publication, the United States government felt compelled to point out that prohibition of the importation of fresh fruits and vegetables would gravely prejudice the position of the Canada-United States trade agreement, and, under it, the tariff concessions assured to certain Canadian agricultural exports. These representations, coupled with the considerations of consumer interest which had made us hesitate about recommending the prohibition of the importation of fresh fruits and vegetables, have resulted in the decision to exclude fresh fruits and vegetables from the schedule which is to be placed before the house. With a deep sense of responsibility we weighed the one set of considerations against the other, with the result that I have announced.

The list of articles which are included in part 1 of the first schedule and the importation of which will be prohibited may be summarized as follows:

Prepared cereal foods; florist stock and cut flowers; processed and canned fruits and vegetables (but not currants, raisins, dates, apricots, or grapefruit juice); preserved fish, oysters and crab; manufactured tobacco; spirits and wines; certain classes of fiction magazines and comics; consumers' paper items; perfumes, etc.; china and glass; silverware; electrical household appliances, stoves, etc; bathroom fittings; automobiles; sporting goods and fishing tackle; cameras; furniture of wood or metal; radios, phonographs; musical instruments; luggage; all finished clothing or wearing apparel; silk fabrics; ornaments; jewellery and precious stones; toys and dolls; and various miscellaneous articles.

I should like to add, immediately, that any of these articles which are the personal property of non-resident visitors to Canada may be brought into Canada by such tourists for their use here, in the same way that such things have always been admitted by our customs regulations in the past.

The second list of articles for which permits will be issued but only in restricted amounts (that is to say, the articles listed in part II of the first schedule) comprises five major categories. These include, first, unmanufactured tobacco; second, automobiles and motor vehicles other than passenger automobiles; third, hardwoods and veneers, and plywood; fourth, raw silk and various partially manufactured forms of natural silk, but not artificial silk or similar synthetic fibres; fifth, all petroleum products.

Let me emphasize again that it is the intention in regard to this second list of commodities gradually to reduce the amount of imports that will be permitted, and it is expected that the Canadian industries using the raw and semi-finished materials on this list will gradually have to adapt themselves to the use of domestic materials or materials from other sources. In the case of tobacco it is expected that the industry will be able to substitute domestic tobacco for the imported types heretofore used. The excise division of the Department of National Revenue will assist in the administration of

this restriction of tobacco imports and the adaptation of the industry to the new conditions.

In the case of hardwoods and veneers it is expected that the furniture industry, with the assistance of the timber controller, will be able to replace a substantial part of their imported hardwoods with domestic woods.

In the case of silk we are dealing with a very important textile import, and with a quite substantial finishing industry in Canada. When the imports of silk materials have been brought under control, it will be possible to determine the extent to which the silk industry can switch over to the use of artificial silk in place of natural silk.

With regard to petroleum products the whole matter is much more complicated, but I understand that the oil controller is making plans to ensure that all our petroleum requirements will be imported in the most economical form possible, and plans are going forward to ensure that this will be done without burden to consumers or without discrimination against those distributors who are now using imported gasoline. Permits for the importation of gasoline will be restricted only after equitable arrangements have been made by the oil controller for the supplying of these distributors. Through the control placed in its hands by this legislation, the government will endeavour to satisfy the nation's gasoline and oil requirements for the smallest possible amount of foreign exchange.

The prohibition or restriction of imports will in many cases result in a greater demand for domestic products. We desire, however, to prevent this greater demand from resulting either in an expansion of the domestic industry concerned or in enhanced prices and profits for domestic manufacturers. Whatever element of protection there may be in these import restrictions is accidental and temporary. They are intended to reduce the consumption of imported goods and not to increase the consumption of domestic goods. Let me repeat the warning given by my predecessor in connection with the war exchange tax, that action now taken is peculiarly an emergency measure whose operation will end with the war, and no vested interest in it will be recognized.

In order to ensure that advantage is not taken of these restrictions in order to raise prices of Canadian produced goods, there is to be included a provision in the bill to enable the government to suspend these restrictions, and any duties, upon imports of any commodity in respect of which it is found that domestic producers are raising or maintaining prices unjustifiably behind the protection of this measure, and to enable the government to invoke direct penalties by way of special tax levies on such profiteers.

Mr. MacNICOL: That applies to the whole industry. How would you take care of one individual who enhanced prices?

Mr. ILSLEY: By the penalty of an excise tax. If the hon. gentleman had followed my last words he would note that I said:

> . . . and to enable the government to invoke direct penalties by way of special tax levies on such profiteers.

In the case of a number of the goods whose import is to be restricted, it is particularly desired that domestic protection shall not expand to fill the demand created by the restriction of imports. This group includes the mechanical type of consumers' durable goods. The experienced labour, the steel and certain other materials used in making these products are required for war industries, or will be very shortly. Furthermore, a substantial amount of parts or materials required in producing them are imported. It might, of course, be possible to limit the production of these goods in Canada by direct regulation of the industry. If this were attempted in the face of rising demand, it would, however, involve either higher prices and profits, or else the rationing of these durable goods, which would be exceedingly difficult because individual demands are so irregular. Consequently, we have decided to impose new or increased excise taxes on this type of article. A detailed list of the articles so affected is contained in the schedule appended to the second resolution which I am going to move and which precedes the introduction of a bill to amend the Special War Revenue Act.

I will summarize this list briefly. The excise tax on automobiles will be raised and the new rates will be as follows:

On the value (i.e. manufacturer's price) up to $900	20 per cent
On the excess over $900 and up to $1,200	40 per cent
On the excess over $1,200	80 per cent

Mr. HANSON (York-Sunbury): That is in lieu of the present rates?

Mr. ILSLEY: Yes, in lieu of the present rates.

An excise tax of 25 per cent of the manufacturer's price is also proposed on the following items: radios and radio tubes, phonographs, cameras, slot and vending machines; electric or gas stoves, refrigerators, water heaters, light fixtures and lamps; and the

following electrical appliances: washing machines, vacuum cleaners, toasters, grills, etc., irons and ironers, coffee makers, curlers, razors and several minor items.

The rates of these taxes are not so heavy that they should curtail production beyond the degree that is and will be required by the labour and material requirements of the Department of Munitions and Supply. In this connection, I should remind the house that a tax of twenty-five per cent on manufacturer's value will amount to a considerably smaller proportion of the retail value of these commodities, as distributors' margins must be taken into account. The demand for nearly all these types of durable consumers' goods, automobiles perhaps excepted, is higher because of higher wartime incomes. Most of the companies producing these articles are already engaged in the production of war supplies and the others will now be enabled to devote part of their facilities and labour force to war work.

I come now to the last of the measures concerning imports, and one which I believe will be much more welcome than the others. It is a measure by which we will be able to assist Britain in a direct and substantial way. The house is probably aware that Britain has been trying to increase its exports particularly to North and South America in order that it may be able to exchange these exports for products from this continent which it requires. British producers have faced special obstacles in export markets in war time because of the higher costs of production consequent upon air raid dangers and other conditions in Britain and also because of the greatly increased shipping freights and insurance costs. From our own point of view, there would be advantages in increasing our imports from Britain at this time, quite apart from the natural desire we have to help Britain in every way possible. We have plenty of sterling exchange to pay for such imports. In so far as we increase our imports we can spare more labour and more money to assist Britain in obtaining Canadian products.

Under these circumstances the government has come to the conclusion that we should wherever possible remove or reduce the tariffs impeding the entry of British goods into Canada. Therefore, we are proposing that all customs duties shall be removed on imports from the United Kingdom of the following list of goods specified in schedule 2 of the first resolution which I shall move:

All cotton items (except those at present free under the British preference).
All artificial silk items (except those at present free under the British preference).
Bituminous coal.
Jellies, jams and marmalades.
Furniture of all kinds.
Gloves and mitts of all kinds, and a number of miscellaneous items.

In addition, this schedule includes a list of imports from the United Kingdom on which the existing duties will be reduced. In this list will be found such items as medicinal and pharmaceutical preparations, soap, earthenware tiles, stoneware and earthenware, table cutlery, bicycles, electric generators, transformers and motors, rugs and carpets, oilcloth and linoleum.

In case some domestic producers should be alarmed at this action, let me remind them once more of the increased costs facing British exporters to Canada. Most of our industries concerned have enjoyed very greatly increased demand because of war conditions and are quite able, I believe, to stand during war time whatever additional competition may be involved as a result of this measure. I might also point out that the goods affected by this action are more in the nature of necessaries than most of the other products with which we are proposing to deal, and the effect of our action in this case should be to increase the supplies available with resulting benefit to the consumer. At the same time our expenditure of hard currency on these classes of goods should be reduced by this action.

There is one other measure included in the proposed legislation which is intended to increase our supplies of foreign exchange rather than to decrease our use of it. I have already referred to the emphasis we have placed and will continue to place on the expansion of export and tourist trade as a means of alleviating our exchange problem. The purpose of the new proposal is to enable the government to take advantage of any special opportunities that may arise to facilitate the expansion of exports that would not otherwise take place. It is extremely difficult to deal in general with the cases we have in mind by legislation, since each case is likely to involve special circumstances and to arise at fairly short notice. We must be prepared and empowered to seize whatever chances of increased trade present themselves. Therefore, the measure proposed is essentially an enabling measure to permit the government on

the recommendation of the Minister of Finance, to enter into agreements with individuals or corporations in order to assist them in developing new or expanded export trade that could not otherwise be attained.

The methods to be followed will have to depend to a large extent on the circumstances of each case. We are not requesting the power to subsidize exports. Such subsidies would be useless anyway for increasing exports to the United States, because subsidized goods are subject to special countervailing duties. After due consideration it has been decided that the safest and yet most efficient and economical way to give such assistance will be by arrangements for special allowances for depreciation or depletion of capital assets under our tax laws, such as we are already giving to war industries. As in the case of war industries there are special risks attached to the investment of capital in certain export industries under war-time conditions, and they fully justify, from the viewpoint of the national interest, the more rapid amortization of these investments. Of course, once the assets are fully depreciated, we will gain in our tax revenues by that fact if the assets are still in use. In the instances which cannot be handled in this manner, we request the power to safeguard the potential exporter by the use of credits against future taxes such as was used in the tax credit plan for stimulating private capital expenditures which was introduced in the last peace-time budget. Great care will have to be taken in the use of these powers because we must avoid giving any sort of special assistance or indirect subsidy to our normal export trade, or to export trade which is able to develop without assistance.

While it is difficult to make any precise estimate of the amount of foreign exchange which the conservation measures forecast by these resolutions will save, it appears probable that on the basis of current trade the savings will amount to from $5,000,000 to $6,000,000 a month. It is still more difficult to estimate the receipts from the taxes proposed and I shall not even venture a figure.

The measures we are taking are measures for the conservation of exchange but they have more than a monetary significance. By denying ourselves a wide range of imports and by these reductions and removals of duties on British goods, we once more say to Britain and to the world that we are with her and that we have faith in her ultimate success.

What we have done since the outbreak of war leaves no doubt as to our attitude and our determination. We entered the war as a united nation by the free and virtually unanimous vote of this parliament and we have gone far in the training and arming of a peace-loving population and the speedy and efficient reorganization of our industry for war.

Conscious as we are of our responsibilities as part of the western hemisphere, we say to mankind that we are prepared to go to the very limits of our power and capacity in aid of the people of that island in the North Sea whose heroism has stirred the hearts of all lovers of liberty, that her cause is our cause, that her reverses serve but to rouse our fighting spirit, and that her final victory, whether it be soon or long deferred, will be a victory in which we, the people of Canada, will have a share.

RESOLUTIONS

Mr. Speaker, I wish to give notice that when we are in committee of ways and means I shall move the following resolutions:

SPECIAL WAR REVENUE ACT

Resolved, That it is expedient to introduce a measure to amend the Special War Revenue Act and to provide—

1. That Schedule 1 of the said act be amended as follows:

(a) by repealing paragraph 1. (a) thereof and substituting the following:

1. (a) Automobiles adapted or adaptable for passenger use, with seating capacity for not more than ten persons each, valued at	
$900 or less	20 per cent
Over $900 but not more than $1,200	20 per cent on $900 plus 40 per cent on the amount in excess of $900.
Over $1,200	20 per cent on $900 plus 40 per cent on $300 plus 80 per cent on the amount in excess of $1,200.

(b) by repealing paragraph 5 of the said Schedule and substituting the following:

5. Cameras, phonographs, radio broadcast receiving sets and tubes therefor.. 25 per cent

(c) by adding to the said schedule as paragraph 6 thereof the following:

6. (a) Electric or Gas Light Fixtures and Lamps and shades, globes and reflectors therefor ..... 25 per cent

(b) The following electrical or gas appliances adapted to household use:

Stoves, ranges and heaters; water heaters; refrigerators..... 25 per cent

(c) The following electrical appliances adapted to household use:

Food choppers and grinders; irons and ironers; washing machines; garbage disposal units; floor waxers and polishers.. 25 per cent

(d) The following electrical appliances:

Vacuum cleaners and attachments therefor; grills, waffle irons, hot plates, roasters, kettles, chafing dishes, food and drink mixers and juice extractors, coffee makers, toasters of all kinds, portable humidifiers, curling irons, tongs, hair dryers, permanent waving machines, razors and shavers.... 25 per cent

(d) by adding to the said schedule as paragraph 7 thereof the following:

7. Coin, disc or token operated slot machines and vending machines; coin, disc or token operated games or amusement devices of all kinds..... 25 per cent

2. That any enactment founded on this resolution shall be deemed to have come into force on the second day of December, one thousand nine hundred and forty, and to have applied on all goods imported or taken out of warehouse for consumption on or after that day and to have applied to goods previously imported for which no entry for consumption was made before that day.

WAR EXCHANGE CONSERVATION ACT, 1940

Resolved, That it is expedient to introduce a measure to be called the War Exchange Conservation Act, 1940, and to provide—

1. That the importation into Canada of any goods enumerated and described in schedule one is prohibited except in such cases as the Minister of National Revenue in his discretion deems desirable and under and in accordance with the terms of a permit granted by him: Provided however that this prohibition shall not apply to—

(a) any goods imported from, and being of the growth, produce or manufacture of, any country within the sterling area or Newfoundland, except, at the discretion of the Minister of National Revenue, goods composed wholly or in part of silk;

(b) any goods which on or before the second day of December, 1940, were in transit to Canada.

2. That notwithstanding anything contained in the preceding resolution, the Minister of National Revenue may, in his discretion, exempt any goods from the operation of the preceding resolution for such periods of time as he may deem desirable and notice of any such exemption shall be published in the *Canada Gazette* and the exemption shall take effect on and after the date of such publication or any later date fixed in such notice.

3. That for the purposes of these resolutions "sterling area" means the territories under the sovereignty, protection, suzerainty or mandate of His Majesty (except Canada, Newfoundland and Hong Kong) and such other territories whether or not under the sovereignty, protection, suzerainty or mandate of His Majesty as may be designated by the governor in council).

4. (1) That in the event of producers of goods taking advantage of the prohibition of imports to increase the prices of such goods to the consumer or to maintain such prices at levels deemed by the governor in council to be higher than should prevail, having regard to changes in the cost of production of such goods, the governor in council may, in addition to permitting entry of such gods, reduce or remove the duties of customs imposed upon such goods.

(2) That in the event of any such producer taking advantage of the prohibition of imports as aforesaid, the governor in council may impose upon all the products of such producer, or any of them, an excise tax equivalent to the amount of customs duty which would be paid by such goods if the same were imported into Canada under the provisions of the general tariff and the same shall be collectible as a tax, and the provisions of the Special War Revenue Act as to the collection of taxes shall be applicable thereto.

5. (1) That goods enumerated and described in schedule two, the growth, produce or manufacture of the United Kingdom, when imported into Canada in a manner and under conditions which entitle such goods to entry under the British preferential tariff of Canada, shall be exempt from the rates of duty set out in schedule A to the Customs Tariff and shall, in lieu thereof, be subject to the rates of duty set out in schedule two.

(2) That any enactment founded on this resolution shall apply to all goods enumerated and described in schedule two imported or taken out of warehouse for consumption on or after the second day of December, 1940, and to goods previously imported for which no entry for consumption was made before the said date.

6. That the governor in council in order to increase Canada's supply of foreign exchange may, on the recommendation of the Minister of Finance, enter into agreements with individuals, partnerships or corporations to grant assistance by way of special tax credits and/or special allowances for depreciation or depletion under the Income War Tax Act and The Excess Profits Tax Act, if, in the opinion of the governor in council, such assistance is necessary in order that an expansion of the exports of any individual, partnership or corporation receiving such assistance may take place.

7. That any enactment founded on these resolutions shall be deemed to have come into force on the second day of December, 1940, and to expire on the date of the issue of a proclamation under the War Measures Act declaring that a state of war no longer exists or on such earlier date as may be fixed in a proclamation of the governor in council.

SCHEDULE 1

Tariff Item Number	Description
	PART I
20	Cocoa paste or "liquor" and chocolate paste or "liquor", not sweetened, in blocks or cakes.
21	Cocoa paste or "liquor" and chocolate paste or "liquor", sweetened, in blocks or cakes, not less than two pounds in weight.
22	Preparations of cocoa or chocolate in powder form.
23	Preparations of cocoa or chocolate, n.o.p., and confectionery, coated with or containing chocolate.
ex 45	Prepared cereal foods, in packages not exceeding twenty-five pounds weight each.
46	Prepared cereal foods, n.o.p.
65	Biscuits, not sweetened.
66	Biscuits, sweetened.
67	Macaroni and vermicelli, containing no egg or other added ingredients.
78	Florist stock, viz.:—Palms, ferns, rubber plants (Ficus), gladiolus, cannas, dahlias and paeonias.
79	Florist stock, viz.:—Azaleas, rhododendrons, pot-grown lilacs; hydrangeas and other pot-grown plants, n.o.p.; rose stock and other stock for grafting or budding, n.o.p.; seedling carnation stock, araucarias, bulbs, corms, tubers, rhizomes and dormant roots, n.o.p.; Dwarf Polyantha rose bushes imported or purchased in bond in Canada by florists for bona fide forcing purposes in their own greenhouses prior to disposal; laurel and holly foliage, natural or preserved, whether in designs or bouquets or not.
79a	Rooted carnation cuttings in their first year of introduction.
79b	Flowers and foliage, natural, cut, whether in designs or bouquets or not, n.o.p.
82(d)	Rosebushes, n.o.p.
82 (e)	Trees, shrubs, vines, plants, roots and cuttings, commonly known as florist or nursery stock. n.o.p.
85	Mushrooms and truffles, fresh, dried or otherwise preserved.
89	Vegetables, prepared, in air-tight cans or other air-tight containers:
	(a) Beans, baked or otherwise prepared.
	(b) Corn and tomatoes.
	(c) Peas.
	(d) N.o.p.
90	Vegetables, prepared or preserved:
	(a) Dried, desiccated or dehydrated, including vegetable flour, n.o.p.
	(b) Pickled or preserved in salt, brine, oil or in any other manner, n.o.p.
	(c) Vegetable extracts or juices, liquid mustards, soy and vegetable sauces of all kinds.
	(d) Pastes, hash and all similar products composed of vegetables and meat or fish, or both, n.o.p.
ex 99b	Apples, dried, desiccated, evaporated or dehydrated.
99f	Figs, dried.
ex 99g	Nectarines, pears and peaches, dried, desiccated, evaporated or dehydrated.
ex 101	Mandarins and tangerines.
102	Limes.

Tariff Item Number	Description
103 104	Fruits preserved in brandy, or preserved in other spirits.
104a	Fruit pulp, other than grape pulp, not sweetened, in air-tight cans or other air-tight packages.
105	Fruit pulp, with sugar or not, n.o.p., and fruits, crushed or frozen.
105a	Lemon, orange, grapefruit and citron rinds, sulphured or in brine.
105b	Olives and cherries, sulphured or in brine, not bottled.
105c	Fruits and nuts, pickled or preserved in salt, brine, oil or any other manner, n.o.p.
105d	Jellies, jams, marmalades, preserves, fruit butters and condensed mince meats.
105e	Fruits and peels, crystallized, glacè, candied or drained; cherries and other fruits of créme de menthe, maraschino or other flavour.
106	Fruits, prepared, in air-tight cans or other air-tight containers:— (a) Apricots, peaches and pears. (b) Pineapples. (c) N.o.p.
107	Preserved ginger.
108	Honey in the comb or otherwise, and imitations thereof.
109	Nuts of all kinds, n.o.p., including shelled peanuts, n.o.p.
114	Nuts, shelled, n.o.p.
121	Fish preserved in oil, n.o.p.
123	Salmon and all other fish, prepared or preserved, including oysters, n.o.p.
123a	Crabs, clams or shrimps in sealed containers.
124	Oysters, shelled, in bulk.
125 126 127	Oysters, shelled, in cans.
128	Oysters in the shell.
141	Sugar candy and confectionery, n.o.p., including sweetened gums, candied pop-corn, candied nuts, flavouring powders, custard powders, jelly powders, sweetmeats, sweetened breads, cakes, pies, puddings and all other confections containing sugar.
143	Cigars.
143a	Cigarettes.
144	Cut tobacco.
145	Manufactured tobacco, n.o.p., and snuff.
146	Ale, beer, porter and stout, when imported in casks or otherwise than in bottle.
147	Ale, beer, porter and stout, when imported in bottles.
147a	Beverages in the manufacture of which malt, rice or corn is used, when containing not more than two and one-half per centum of proof spirit.
150	Lime juice and fruit juices, fortified with or containing not more than twenty-five per cent of proof spirits.
151	Lime juice and fruit juices, fortified with or containing more than twenty-five per cent of proof spirits.
ex 152	Lime juice, fruit syrups and fruit juices, n.o.p., (but not including grapefruit juice)
153	Lime juice, raw and concentrated, not refined.

Tariff Item Number	Description
ex 156	Gin of all kinds, n.o.p.; whisky and all spirituous or alcoholic liquors, n.o.p.; absinthe, arrack or palm spirit, brandy, including artificial brandy and imitations of brandy, n.o.p.; cordials and liqueurs of all kinds, n.o.p.; mescal, pulque, rum shrub, schiedam and other schnapps; tafia, angostura and similar alcoholic bitters or beverages; and wines, n.o.p., containing more than forty per cent of proof spirit.
156a	Rum.
160	Alcoholic perfumes and perfumed spirits, bay rum, cologne and lavender waters, lotions, hair, tooth and skin washes, and other toilet preparations containing spirits of any kind:— (a) When in bottles or flasks containing not more than four ounces each. (b) When in bottles, flasks or other packages, containing more than four ounces each.
ex 162	Vermouth.
163	Wines of all kinds, n.o.p., including orange, lemon, strawberry, raspberry, elder and currant wines, containing twenty-six per cent or less of proof spirit, whether imported in wood or in bottles.
165	Champagne and all other sparkling wines.
181a	Pictorial post cards, greeting cards and similar artistic cards or folders.
ex 184d ex 169 ex 170 ex 171	Periodical publications, unbound or paper bound, consisting largely of fiction or printed matter of a similar character, including detective, sex, western, and alleged true or confession stories, and publications, unbound or paper bound, commonly known as comics, but not including bona fide supplements used with newspapers. Provided, that the decision of the Minister of National Revenue as to whether or not any publication is included in the foregoing description shall be final and conclusive.
194	Playing cards in packs or in sheet form, n.o.p.; cards and sheets partly lithographed or printed, for use in the manufacture of such playing cards.
195	Paper hanging or wall papers, including borders or bordering.
ex 197 ex 197b ex 198 ex 199 ex 181 ex 509	Towels, napkins, table covers, tray covers and doilies, of paper; fancy shelf and lace papers; paper handkerchiefs; facial tissues and toilet paper, not including such materials in jumbo rolls; cups, dishes or plates, forks, spoons and drinking straws, made of paper, cardboard, or of vegetable fibres; paper envelopes; correspondence and printed letterhead papers, not including plain unprinted typewriter or copying papers; creped tissue paper and manufactures thereof; wrapping paper, including box covering paper and wrappers, printed, embossed or otherwise decorated; Christmas seals, stickers, tags and enclosure cards, printed, embossed or otherwise decorated; card and other games, score reckoners, score pads, tallies and place cards, of paper or cardboard; festivity, carnival and celebration supplies and decorations of paper or cardboard, including costumes, hats, caps, headbands, masks, horns, serpentines and confetti.
228	Soap powders, powdered soap, mineral soap, and soap, n.o.p.
233	Pomades, French or flower odours, preserved in fat or oil for the purpose of conserving the odours of flowers which do not bear the heat of distillation, when imported in tins of not less than ten pounds each.
234	Perfumery, including toilet preparations, non-alcoholic, viz., hair oils, tooth and other powders and washes, pomatums, pastes and all other perfumed preparations, n.o.p., used for the hair, mouth or skin.
284	Drain pipes, sewer pipes and earthenware fittings therefor, chimney linings or vents, chimney tops and inverted blocks, glazed or unglazed, n.o.p.; earthenware tiles, n.o.p.
285	Tiles or blocks of earthenware or of stone prepared for mosaic flooring.
287	All tableware of china, porcelain, semi-porcelain, or white granite, but not to include teapots, jugs and similar articles of the type commonly known as earthenware.
288	Stoneware and Rockingham ware and earthenware, n.o.p.
289	Baths, bathtubs, basins, closets, closet seats and covers, closet tanks, lavatories, urinals, sinks and laundry tubs of earthenware, stone, cement, clay or other material, n.o.p.
323	Silvered glass, bevelled or not and framed or not, n.o.p.
326(ii)	Opal glassware, glass tableware, cut glassware and illuminating glassware, n.o.p.
ex 353 ex 353a	Aluminum foil, including aluminum laminated or combined with paper or paperboard.

Tariff Item Number	Description
362	Articles consisting wholly or in part of sterling or other silverware, n.o.p.; manufactures of gold or silver, n.o.p.
362b	Toilet articles of all kinds, including atomizers, brushes, buffers, button hooks, combs, cuticle knives, hair receivers, hand-mirrors, jewel boxes, manicure scissors, nail files perfume bottles, puff jars, shoe horns, trays and tweezers, of which the manufactured component material of chief value is sterling silver.
ex 415	Electric vacuum cleaners and attachments therefor.
415a	Refrigerators, domestic or store, completely equipped or not:— (i) Electric. (ii) Other than electric.
ex 415b	Electric washing machines, domestic, with or without motive power incorporated therein.
425	Lawn mowers.
429	Cutlery of iron or steel, plated or not:— (c) Penknives, jack-knives and pocket knives of all kinds. (g) Razor blades; razors and complete parts thereof.
433	Baths, bathtubs, basins, closets, lavatories, urinals, sinks, and laundry tubs of iron or steel, coated or not.
ex 438a	Automobiles adapted or adaptable for passenger use, with seating capacity for not more than ten persons each.
ex 438g	Motor cycles or side cars therefor.
439	Bicycles and tricycles, n.o.p.
ex 439b	Trailers designed for use with passenger automobiles.
ex 440a	Pleasure boats of all kinds including sail boats, skiffs, row-boats, canoes and launches.
440j	Trawls, trawling spoons, fly hooks, sinkers, swivels, sportsmen's fishing reels, bait, hooks, and fishing tackle, n.o.p.
ex 443	Apparatus designated for cooking or for heating buildings, (but not including parts): (1) For coal or wood. (2) For gas. (3) For electricity. (4) For oil. (5) N.o.p.
444b	Lamp shades, n.o.p., and shade holders.
ex 445	Electric light fixtures and appliances, n.o.p., (but not to include such fixtures and appliances specially designed for industrial purposes).
ex 445d	Radio receiving sets and cabinets and chassis therefor.
ex 445j	Electric dry shaving machines for use in removing human hair.
450	Skates of all kinds, roller or other, and parts thereof.
451e	Slide, hookless, or zipper fasteners.
ex 462	Cameras.
465	Signs of any material other than paper, framed or not; letters and numerals of any material other than paper.
468	Bird, squirrel and rat cages, of wire, and metal parts thereof.
508	Mouldings of wood, plain, gilded or otherwise further manufactured.
511	Walking sticks and walking canes, of all kinds; golf clubs and finished parts thereof; skis; racquets and racquet frames and baseball bats; balls of all kinds for use in sports, games or athletics, n.o.p.

Tariff Item Number	Description
511b	Fishing rods.
512	Picture frames and photograph frames, of any material.
514	Coffins and caskets, and metal parts thereof.
515	Show-cases, of all kinds, and metal parts thereof.
518	Billiard tables, with or without pockets, and bagatelle and other game tables or boards, cues, balls, cue-racks and cue-tips.
519	House, office, cabinet or store furniture of wood, iron or other material, and parts thereof, not to include forgings, castings, and stampings of metal, in the rough.
ex 532	Clothing and wearing apparel, wholly or partially manufactured, composed wholly of cotton, n.o.p.
ex 532 ex 548 ex 555	Articles made from woven fabrics and textile manufactures, wholly or partially manufactured, composed wholly or in part of cotton, flax, wool or other textile fibres (except silk and artificial silk or other synthetic fibres), as specified, namely: sheets, blankets, quilts, counterpanes, bedspreads, comforters and other bed coverings; hassocks, pillows, cushions, including pin-cushions filled or not, pillow-cases, cushion covers and similar articles; tablecloths, napkins, tray cloths, dresser scarves, doilies and similar articles; diapers; towels, wash cloths, bath mats, bathroom mats, seat covers, curtains, drapes, window runners, decorative panels and similar articles; automobile rugs, steamer rugs and similar rugs or coverings; canopies, awnings and tents; removable coverings for automobile and furniture upholstery; textile manufactures composed in part of embroideries or lace.
532a ex 548	Handkerchiefs of cotton, flax or other vegetable fibres.
ex 548	Clothing and wearing apparel, wholly or partially manufactured, composed wholly or in part of vegetable fibres but not containing wool, n.o.p.
ex 555	Clothing and wearing apparel, wholly or partially manufactured, composed wholly or in part of wool or similar animal fibres, but of which the component of chief value is not silk nor artificial silk, n.o.p.
560	Woven fabrics wholly or in chief part by weight of silk in the gum, not degummed nor bleached, not less than twenty inches in width, weighing not more than seven pounds for each hundred yards thereof, imported for the purpose of being degummed, dyed and finished in Canada.
560a	Woven fabrics wholly or in part of silk, not to contain wool, not including fabrics in chief part by weight of artificial silk, n.o.p.
560b	Woven fabrics, wholly of silk, twenty-six inches in width, or less, n.o.p.
560d	Woven fabrics with cut pile, generally known as velvets and plushes, with pile wholly of silk or artificial silk, but not containing wool, exceeding twenty-four inches in width.
560e	Woven fabrics with cut pile, generally known as velvets and plushes, with pile wholly of silk or artificial silk, but not containing wool, twenty-four inches in width or less, n.o.p.
562	Woven fabrics not exceeding twelve inches in width generally known as "ribbons", whether with cut pile or not, wholly or in part of silk but not containing wool.
564	Woven fabrics, of a kind not made in Canada, wholly, or in chief part, by weight, of silk or artificial silk, or both, imported in the web in lengths of not less than five yards each by manufacturers of neckties, scarves, or mufflers, for use exclusively in the manufacture of such articles in their own factories.
565	Embroideries, lace, braids, cords, chenille, gimp, fringes and tassels, whether containing tinsel or not, nets, nettings, and bobinet, n.o.p.
567	Clothing, wearing apparel and articles, made from woven fabrics and all textile manufactures, wholly or partially manufactured, n.o.p., of which silk is the component of chief value.
567a	Clothing, wearing apparel and articles, made from woven fabrics and all textile manufactures, wholly or partially manufactured, n.o.p., of which the component of chief value is artificial silk or similar synthetic fibres produced by chemical processes.
568	Knitted garments, knitted underwear and knitted goods, n.o.p.
568a	Socks and stockings:— (i) of wool. (ii) n.o.p.

Tariff Item Number	Description
568b	Gloves and mitts of all kinds, n.o.p.
568c	Women's dress gloves of kid, elbow length.
ex 569 (i)	Hats of fur felt or of wool-and-fur felt.
ex 569 (ii)	Hats of wool felt.
ex 569 (v)	Hats, n.o.p. (but not to include distinctive head coverings for use in public services).
569a (i)	Berets of wool, knitted and fulled.
569a (ii)	Caps, bonnets and berets, n.o.p.
569d	Woven fabrics, not exceeding three inches in width, in lengths of not less than eighteen yards, of a class or kind not made in Canada, generally known as "single, double or four shot corded ribbon," imported by manufacturers for use exclusively in their own factories in making the bands on hats or in binding the edge of the hat brim.
578	Regalia, badges and belts of all kinds, n.o.p.
597	Pianofortes and organs.
ex 597a	Musical instruments of all kinds, n.o.p.; phonographs, graphophones and gramophones, n.o.p., (but not including cylinders and records therefor).
ex 598	Brass band instruments, n.o.p.
598a	Brass band instruments, of a class or kind not made in Canada; bagpipes and complete parts thereof.
603	Fur skins wholly or partially dressed, n.o.p.
ex 604	Patent, japanned or enamelled leather and finished upholstery leather.
605a	Genuine pig leathers and genuine Morocco leathers; so-called roller leathers.
611b	Leather garments, lined or unlined.
622	Trunks, valises, hat boxes, carpet bags, tool bags, and baskets of all kinds, n.o.p.
623	Musical instrument cases and fancy cases or boxes of all kinds, portfolios and fancy writing desks, satchels, reticules, card cases, purses, pocket-books, fly books and parts thereof.
624	Bead ornaments, and ornaments of alabaster, spar, amber, terra cotta or composition; fans of all kinds; statues and statuettes of any material, n.o.p.
624a	(i) Dolls; toys of all kinds, n.o.p. (ii) Mechanical toys of metal. (iii) Juvenile construction sets of metal, consisting of various stampings, punched, and connections therefor; parts of the foregoing.
624b	Statues and statuettes of porcelain or earthenware.
625	Caps, hats, muffs, tippets, capes, coats and cloaks of fur, and other manufactures of fur, n.o.p.
629	Umbrellas, parasols and sunshades of all kinds and materials.
634	Feathers and manufactures of feathers, n.o.p.; artificial feathers, fruits, grains, leaves and flowers suitable for ornamenting hats.
634	(ii) Materials, when imported by manufacturers of artificial feathers, fruits, grains, leaves and flowers, for use exclusively in the manufacture of such articles, in their own factories.
647	Jewellery of any material, for the adornment of the person, n.o.p.
648	Precious stones and imitations thereof, not mounted or set; and pearls and imitations thereof, pierced, split, strung or not, but not set or mounted.
648a	Diamonds, unset.
652	Toilet or dressing combs, n.o.p.; fancy combs, not being jewellery.
653	Brushes of all kinds.

Tariff Item Number	Description
655	Pens, penholders and rulers, of all kinds.
ex 655a	Lead pencils.
656	Tobacco pipes of all kinds, pipe mounts, cigar and cigarette cases, cigar and cigarette holders, and cases for the same, smokers' sets and cases therefor, and tobacco pouches.
665	Torpedoes, fire-crackers and fire-works of all kinds.
ex 695a	Paintings in oil or water colours and pastels, valued at not less than twenty dollars each.
ex 711 ex 362c ex 427 ex 446a et al	Goods enumerated hereafter, not including goods entitled to entry under Tariff Items 690a, 700, 700a, 702, 703(a), 704, 705, 706, 707, 708 and 709, namely: Soda fountains; bars; ice-cream cabinets and beverage cabinets; beverage dispensing and mixing equipment; gasoline pumps; Punch boards and pin-ball games; vending machines, games, amusement devices, phonographs, radios, musical instruments, scales, parking meters, locks and lockers, coin-, disc- or token-operated; Cigarette or cigar lighters (but not to include lighters provided for in Tariff Item 438(c)); Air-conditioning units and apparatus designed for household or office use; Electric mixers, ironers and dish-washers, designed for household use; Cases, boxes, bowls, baskets, bottles, dishes and trays adapted for personal, household or office use, or for the packaging of goods for retail sale, of which the component of chief value is copper, brass, bronze, or electro-plated metal, not including industrial containers unsuitable for retail sale; Ash trays and receivers; desk sets and bases or holders for blotters, pens or pencils; book-ends; paper weights and paper knives; andirons, screens, tongs and other furnishings for fire-places; door knockers; Christmas tree decorations of all kinds, including lights and fittings therefor; vases and jardinieres; Precious and semi-precious stones, including pearls, and all imitations or simulations thereof; articles composed wholly or in part of precious or semi-precious stones and imitations or simulations thereof.
	PART II
19	Cocoa shells and nibs.
20a	Butter produced from the cocoa bean.
77a	Cocoa beans, not roasted, crushed or ground.
109a	Peanuts, green, in the shell or not further processed than shelled.
142	Tobacco, unmanufactured, for excise purposes under conditions of the Excise Act, subject to such regulations as may be prescribed by the Minister:— (a) Of the type commonly known as Turkish:— (i) Unstemmed. (ii) Stemmed. (b) N.O.P.:— (i) Unstemmed. (ii) Stemmed.
267	Crude petroleum not subjected to any other process than natural weathering and removal of foreign matter and water, when imported by oil refiners to be refined in their own factories:— (i) ·8155 specific gravity (42·0 A.P.I.) or heavier at 60 degrees Fahrenheit. (ii) Lighter than ·8155 specific gravity (42·0 A.P.I.) at 60 degrees Fahrenheit.
267a	Crude petroleum, n.o.p.
267b	Petroleum tops; blends of petroleum tops or petroleum products with crude petroleum; all the foregoing ·7249 specific gravity (63·7 A.P.I.) or heavier, at 60 degrees Fahrenheit, when imported by oil refiners to be refined in their own factories.
268	Natural casinghead, compression or absorption gasoline, lighter than ·6690 specific gravity (80·0 A.P.I.) at 60 degrees Fahrenheit, when imported by refiners of crude petroleum for blending with gasoline wholly produced in Canada.
269	Products of petroleum, n.o.p.— (i) Lighter than ·8236 specific gravity (40·3 A.P.I.) at 60 degrees Fahrenheit. (ii) ·8236 specific gravity (40·3 A.P.I.) or heavier at 60 degrees Fahrenheit.
269a	Petroleum oil known as engine distillate ·8017 specific gravity (45·0 A.P.I.) or heavier at 60 degrees Fahrenheit.

Tariff Item Number	Description
271	Lubricating oils composed wholly or in part of petroleum:— (a) valued at less than 25 cents per gallon. (b) n.o.p.
272a	Petroleum greases and lubricating greases, n.o.p.
ex 438a	Automobiles and motor vehicles of all kinds, n.o.p., (but not to include passenger automobiles); electric trackless trolley buses; chassis for automobiles and motor vehicles of all kinds.
ex 500	Railway ties.
ex 503	Planks, boards, clapboards, laths, plain pickets and other timber or lumber of hardwood, not further manufactured than sawn or split, whether creosoted, vulcanized, or treated by any other preserving process, or not.
ex 504	Planks, boards and other lumber of hardwood, sawn, split or cut, and dressed on one side only, but not further manufactured.
ex 505	Planks, boards, deals and other lumber of hardwood, not further manufactured than planed, dressed, jointed, tongued or grooved, n.o.p.
505a	Hardwood flooring, tongued and/or grooved, or jointed, viz.:—beech, birch, maple and oak.
507	Single-ply, sliced or rotary-cut veneers of rosewood, mahogany or Spanish cedar, not over five-sixteenths of an inch in thickness, not taped nor jointed.
507a	Single-ply, sliced or rotary-cut veneers of wood, n.o.p., not over five-sixteenths of an inch in thickness, not taped nor jointed.
507b	Veneers of wood of any kind, not over five-sixteenths of an inch in thickness, taped or jointed.
507c	Plywood made of two or more layers of veneer or lumber of wood, glued or cemented together, but not further manufactured.
507d	Veneers, viz.:—Australian blackwood, walnut, silky oak, silkwood, blackbean, maple, Tasmanian myrtle, and eucalyptii, single-ply and not over three thirty-seconds of an inch in thickness.
507e	Plywood made of two or more layers of wood glued or cemented together and faced with metal on one or both sides.
ex 557	Silk cocoons, raw silk, rags and waste of silk (but not to include material of artificial silk or similar synthetic fibres).
ex 557a	Waste portions of unused fabrics or used garments, wholly of silk (but not to include material of artificial silk or similar synthetic fibres).
ex 557b	Garnetted material wholly of silk; silk filaments or loose fibres not more advanced than sliver; waste portions of unused silk fabrics n.o.p. (but not to include artificial silk or similar synthetic fibres).
558	Yarns and warps wholly of thrown silk, in the gum, n.o.p.
558a	Rovings, yarns and warps wholly of spun silk, generally known as schappe and bourette, not more advanced than singles, n.o.p.
558c	(i) Rovings, yarns and warps, wholly or in part of silk, n.o.p., including threads, cords or twist for sewing, embroidering or other purposes. (ii) Silk yarns wholly or partially covered with metallic strip, one pound of which shall contain not less than 10,000 yards.
558e	Yarns and warps, wholly of thrown silk in the gum, rovings, yarns and warps, wholly of spun silk, not coloured, imported by manufacturers for use exclusively in their own factories for knitting underwear, for weaving, or for the manufacture of silk thread.
600	Fur tails, in the raw state.
601	Fur skins of all kinds, not dressed in any manner.
602	Astrakhan or Russian hare skins, China goat plates or rugs, and China goat skins, wholly or partially dressed, but not dyed.

SCHEDULE 2

Tariff Item Number	Description	Rate of Duty	Former Rate
105d	Jellies, jams, marmalades, preserves, fruit butters and condensed mince meats	Free	2 cts. per lb.
220	All medicinal, chemical and pharmaceutical preparations, compounded of more than one substance, including patent and proprietary preparations, tinctures, pills, powders, troches, lozenges, syrups, cordials, bitters, anodynes, tonics, plasters, liniments, salves, ointments, pastes, drops, waters, essences and oils, n.o.p.:—		
	(a) When dry	10 p.c.	17½ p.c.
	(b) Liquid, when containing not more than two and one-half per centum of proof spirit	10 p.c.	20 p.c.
228	Soap powders, powdered soap, mineral soap, and soap, n.o.p.	10 p.c.	20 p.c.
281b	Firebrick, n.o.p.	Free	5 p.c.
ex 284	Earthenware tiles, n.o.p.	15 p.c.	20 p.c.
288	Stoneware and Rockingham ware and earthenware, n.o.p.	10 p.c.	20 p.c.
429	Cutlery of iron or steel, plated or not:—		
	(b) Table knives and table forks	10 p.c.	15 p.c.
	(e) Spoons	10 p.c.	15 p.c.
439	Bicycles and tricycles, n.o.p.	15 p.c.	20 p.c.
439a	Articles, of iron or steel, wholly or in part of nickel or electro-plated, when imported by manufacturers of bicycles or tricycles for use exclusively in the manufacture of bicycles or tricycles, in their own factories, under regulations prescribed by the Minister	10 p.c.	15 p.c.
445f	Electric dynamos or generators and transformers, and complete parts thereof, n.o.p.	10 p.c.	15 p.c.
445g	Electric motors, and complete parts thereof, n.o.p.	10 p.c.	15 p.c.
445k	Electric apparatus and complete parts thereof, n.o.p.	10 p.c.	15 p.c.
451b	Pins manufactured from wire of any metal, n.o.p.	10 p.c.	17½ p.c.
519	House, office, cabinet or store furniture of wood, iron or other material, and parts thereof, not to include forgings, castings, and stampings of metal, in the rough	Free	15 p.c.
520b	Garnetted material wholly of cotton, obtained by disintegrating yarns or fabrics, prepared for use; cotton wiping rags and wiping waste; waste portions of unused fabrics, machine-cleaned waste, wholly of cotton, n.o.p., not to include remnants nor mill ends	Free	7½ p.c.
521	Carded sliver wholly of cotton, not bleached, coloured nor impregnated; cotton fibres, bleached or coloured, n.o.p.	Free	5 p.c.
522	Rovings, yarns and warps wholly of cotton, not more advanced than singles, n.o.p.	Free	12½ p.c.
522a	Rovings, yarns and warps wholly of cotton, not more advanced than singles, when imported by manufacturers of knitted goods, to be used in their own factories in the manufacture of knitted goods	Free	12½ p.c.
522b	Yarns, wholly of cotton, coarser than number forty but exceeding number twenty, not more advanced than singles, when imported by manufacturers for use exclusively in their own factories in the manufacturing of cotton sewing thread and crochet, knitting, darning and embroidery cottons	Free	7½ p.c.
522c	Rovings, yarns and warps wholly of cotton, including threads, cords and twines generally used for sewing, stitching, packaging and other purposes, n.o.p., cotton yarns, wholly or partially covered with metallic strip, generally known as tinsel thread	Free	15 p.c.

Tariff Item Number	Description	Rate of Duty	Former Rate
522e	Cotton sewing thread yarn and crochet, knitting, darning and embroidery yarn, in hanks, when imported by manufacturers for use exclusively in their own factories in the manufacturing or spooling of cotton sewing thread and crochet, knitting, darning and embroidery cottons	Free	7½ p.c.
523	Woven fabrics, wholly of cotton, not bleached, mercerized nor coloured, n.o.p., and seamless cotton bags	Free	15 p.c.
523a	Woven fabrics, wholly of cotton, bleached or mercerized, not coloured, n.o.p.	Free	20 p.c.
523b	Woven fabrics, wholly of cotton, printed, dyed or coloured, n.o.p.	Free	20 p.c.
523e	Woven fabrics wholly of cotton with cut pile, n.o.p.	Free	15 p.c.
523i	Filter cloth, wholly of cotton, with cut pile, in the web or made up, imported for use exclusively in mining and metallurgical operations	Free	10 p.c.
523j	Shadow cretonnes, wholly of cotton, with printed warp and plain weft	Free	12½ p.c.
523k	Gabardines, wholly of cotton, with not less than 280 ends and picks of ply yarn per square inch	Free	12½ pc..
523l	Woven fabrics, wholly of cotton, composed of yarns of counts of not less than 80 and not more than 99, including all such fabrics in which the average count of the warp and weft yarns is not less than 80 and not more than 99	Free	12½ p.c.
524a	Fabrics with cut weft pile, wholly of cotton or of cotton and artificial silk	Free	5 p.c.
529	Embroideries, lace, nets, nettings, bobinet, n.o.p., fringes and tassels, wholly of cotton	Free	20 p.c.
529a	Lace and embroideries, wholly of cotton, not coloured, when imported for use exclusively by manufacturers in the manufacture of clothing, in their own factories	Free	7½ p.c.
530	Lace and embroideries, wholly of cotton, coloured, when imported for use exclusively by manufacturers in the manufacture of clothing, in their own factories	Free	7½ p.c.
531	Knitted fabric wholly of cotton, in the web, imported by manufacturers of rubber boots and shoes for use exclusively in the manufacture of such articles in their own factories	Free	10 p.c.
532	Clothing, wearing apparel and articles made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly of cotton, n.o.p.; fabrics wholly of cotton, coated or impregnated, n.o.p.	Free	25 p.c.
532a	Handkerchiefs, wholly of cotton	Free	15 p.c.
532b	Woven fabric, wholly of cotton, for covering books	Free	15 p.c.
533	Sails for boats and ships	Free	15 p.c.
ex 536	Batts, batting and wadding of cotton, n.o.p.	Free	12½ p.c.
548	Clothing, wearing apparel and articles, made from woven fabrics, and all textile manufactures, wholly or partially manufactured, composed wholly or in part of vegetable fibres but not containing wool, n.o.p.; fabrics coated or impregnated, composed wholly or in part of vegetable fibres but not containing silk, artificial silk nor wool, n.o.p.	Free	25 p.c.
ex 553	Blankets wholly of cotton, artificial silk, or cotton and artificial silk, but not containing silk or wool	Free	20 p.c. and 5 cts. per lb.

Tariff Item Number	Description	Rate of Duty	Former Rate
558b	Rovings, yarns and warps wholly of artificial silk or similar synthetic fibres, produced by chemical processes, not more advanced than singles, not coloured, with not more than seven turns to the inch, under such regulations as the Minister may prescribe:—		
	(a) Produced from cellulose acetate	Free	5 p.c.
	(b) N.o.p.	Free	20 p.c.
558d	Rovings, yarns and warps wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes, n.o.p., including threads, cords or twist for sewing, embroidering or other purposes, not to contain silk; artificial silk yarns wholly or partially covered with metallic strip, one pound of which shall contain not less than 10,000 yards; under such regulations as the Minister may prescribe:—		
	(a) Produced wholly from cellulose acetate	Free	7½ p.c.
	(b) N.o.p.	Free	25 p.c.
ex 560d	Woven fabrics with cut pile, generally known as velvets and plushes, with pile wholly of artificial silk, but not containing silk or wool, exceeding twenty-four inches in width	Free	17½ p.c.
ex 560e	Woven fabrics with cut pile, generally known as velvets and plushes, with pile wholly of artificial silk, but not containing silk or wool, twenty-four inches in width or less, n.o.p.	Free	17½ p.c.
561	Woven fabrics wholly or in part of artificial silk or similar synthetic fibres, produced by chemical processes, not to contain wool, not including fabrics in chief part by weight of silk, n.o.p.	Free	27½ p.c.
561a	Fabrics, coated or impregnated, n.o.p.:—		
	(ii) Composed wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes but not containing silk	Free	30 p.c.
562a	Woven fabrics not exceeding twelve inches in width, generally known as "ribbons", whether with cut pile or not, wholly or in part of artificial silk or similar synthetic fibres produced by chemical processes, but not containing silk nor wool	Free	22½ p.c.
ex 564	Woven fabrics, of a kind not made in Canada, wholly, or in chief part, by weight, of artificial silk, imported in the web in lengths of not less than five yards each by manufacturers of neckties, scarves, or mufflers, for use exclusively in the manufacture of such articles in their own factories	Free	17½ p.c.
ex 565	Embroideries, lace, braids, cords, chenille, gimp, fringes and tassels, whether containing tinsel or not, nets, nettings and bobinet, of artificial silk or similar synthetic fibres	Free	22½ p.c.
567a	Clothing, wearing apparel and articles, made from woven fabrics and all textile manufactures, wholly or partially manufactured, n.o.p., of which the component of chief value is artificial silk or similar synthetic fibres produced by chemical processes	Free	25 p.c.
ex 568	Knitted garments, knitted underwear and knitted goods, wholly of cotton artificial silk, or cotton and artificial silk	Free	20 p.c.
ex 568a	Socks and stockings:—		
	(ii) n.o.p.	Free	20 p.c.
568b	Gloves and mitts of all kinds, n.o.p.	Free	20 p.c.
572	Oriental and imitation Oriental rugs or carpets and carpeting, carpets and rugs, n.o.p.	25 p.c.	30 p.c.
573	Enamelled carriage, floor, shelf and table oilcloth, linoleum, and cork matting or carpets	10 p.c.	15 p.c.
588	Coal, n.o.p., including screenings and coal dust of all kinds	Free	35 cts. per ton.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, we have all listened with great interest to the speech made by the Minister of Finance (Mr. Ilsley). May I say to him that, having regard to the advance notices in the press, and what we have heard in the corridors, the proposals are not nearly as important as perhaps I had hoped they would be. I say that because I, too, realize the seriousness of the exchange position, and the necessity for conserving our foreign exchange.

Some very important changes in the trends of business will, of course, be brought about by the resolutions. We have not had an opportunity even to analyse to any degree the items affected, and therefore I hope that unless the necessity is exceedingly great, the government will consent to an adjournment of this debate until the debate on the address is concluded, so that we may have ample opportunity for study.

My first reaction is that these resolutions will be beneficial for the purpose for which they are intended; and such criticisms and suggestions as we may have to make will, I hope, be constructive and helpful, and in no sense be considered as in the slightest degree contravening the government's war effort, which we are desirous to see forwarded with the utmost expedition.

Therefore I beg the leave of the house to move adjournment of the debate. We could confer together as to when it might be resumed. My suggestion is that to-morrow night we should complete the debate on the address in reply, and then we might resume this matter on Wednesday. I should be agreeable to that, if it meets with the approval of the Prime Minister.

Right Hon. W. L. MACKENZIE KING (Prime Minister): So far as may be possible the government is anxious to meet my hon. friend's views. I believe, however, it would be unwise to attempt to conclude the other debate first. These resolutions are very important, and I suggest that the country should know as soon as possible that they have been accepted by the house.

If it would meet the convenience of my hon. friend, I would suggest that we continue the debate on the address in reply this afternoon, and that to-morrow we proceed with the resolutions. I was going to make the further suggestion that it might facilitate matters and perhaps meet the convenience of hon. members if the resolutions were immediately referred to the committee of ways and means, on the understanding that hon. members would be free to discuss any phase of the matter in that committee. The Minister of Finance (Mr. Ilsley) would be enabled in that way immediately to answer questions, a course of procedure which it would not be possible for him to follow during the course of a formal debate. If that procedure were followed, I believe it would expedite this week's proceedings.

Mr. HANSON (York-Sunbury): May I say to my right hon. friend that no one has seen these resolutions except myself, and I have just been able to glance through them. They will not be printed and available to hon. gentlemen until noon to-morrow. How can anyone intelligently discuss the principles involved in these resolutions when he has not had time to study them? I do not think we are asking too much when we request that they be allowed to stand over until Wednesday. That would be the usual thing in a budget debate. As a matter of fact more time would be given. The amount of exchange to be saved is not as large as I had hoped, and I do not think the matter is so pressing that we should be asked to proceed with the discussion to-morrow afternoon. If, however, the government insists, I suppose they can force us to go on.

Mr. MACKENZIE KING: There is no disposition on the part of the government to attempt to force my hon. friend or any other hon. member in the matter of time. Would he deem it wise to have the resolutions referred to the committee at once with a view to having a full discussion later?

Mr. HANSON (York-Sunbury): I think we ought to have a discussion on the general principles involved, which discussion may not take very long. It may be that after hon. members have digested the minister's statement they will feel that they have some observations to make. I fancy that some hon. members will be hearing from the country as soon as these particulars are published. We usually do. I do not like to commit myself to permitting the motion to be carried without any discussion. I do not think the matter is as pressing as that. On previous occasions when war budgets have been quite pressing we have allowed them to go through, but I think this ought to be done in a more orderly way. We should study these proposals before we give approval.

Mr. M. J. COLDWELL (Rosetown-Biggar): Before the motion is put, I should like to say that I support the leader of the opposition (Mr. Hanson). I think we should be given time to study these proposals and I object to the procedure suggested by the Prime Min-

ister (Mr. Mackenzie King). I do this because of what happened during the last budget debate. A similar request was made to which we agreed, but subsequently when it was desired to stray outside the particulars of an item under discussion the Deputy Speaker who was then in the chair reminded hon. members that he could not be bound by any understandings which might have been arrived at between the whips or members of the house. He felt that he was bound by the rules, and therefore the hon. member for St. Paul's (Mr. Ross) and the hon. member for Melfort (Mr. Wright) were prevented from discussing certain matters which they wished to bring before the committee. I make this objection not because we wish to delay the consideration of these important matters, with the bulk of which we are in complete agreement, but to ask that we follow the procedure provided for by the rules.

Mr. MACKENZIE KING: I thought I made it clear that I was not trying to impose any restriction on the house. The suggestion I made was made in the light of experience of debate in this house and also, I confess quite frankly, with a view to helping to economize the time of the government and of hon. members. Speaking on behalf of the government I am quite prepared to have matters follow their regular course without any restriction. Perhaps the house would be agreeable to this debate being now adjourned and our continuing with the debate on the address in reply to the speech from the throne.

On motion of Mr. Hanson (York-Sunbury) the debate was adjourned.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Friday, November 29, consideration of the motion of Mr. Brooke Claxton for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Hanson (York-Sunbury) and the amendment to the amendment of Mr. Blackmore.

Hon. W. E. ROWE (Dufferin-Simcoe): Mr. Speaker, this rather sudden deviation from our usual course emphasizes the tragedy of the present occasion. In resuming the debate which was adjourned on Friday I wish to say that many ably presented and carefully considered speeches have been made in this somewhat prolonged debate. I feel I should compliment the mover (Mr. Claxton) and the seconder (Mr. Jutras) of the address in reply to the speech from the throne. I realize that their task was not an easy one. I think the house will agree when I say that despite the crisis through which we are passing, the speech from the throne was very vague indeed. It was more conspicuous for what was not in it than it was for what was in it. I do not think I have heard one delivered in this house which told so little of what had passed and indicated so little as to what we might expect in the future.

It is my purpose to avoid as much as possible repeating what has been said already, it is my desire to restrict my remarks more to a discussion of the general principles underlying the government's policies than to endeavour to go into the details of administration and the difficulties connected therewith. I am confident that no old political differences that exist among us can obscure the problem we all face, that of winning the war. Political distinctions may have existed in the past, but I feel that to-day we stand on common ground, facing a common foe with our eyes turned toward one definite goal, namely victory. It is therefore with deep concern and sincere purpose that I even venture to question the policies of the government with reference to our war effort.

As has been said quite often in this house by members of the government and by other hon. members, these are serious and tragic days through which we are passing. I agree with that, but it appears to me that the people throughout the dominion do not thoroughly understand what must be done to achieve victory. I think it was Kipling who said:

> When king and people understand each other past a doubt
> It takes a foe and more than a foe to knock that country out.

I doubt if the people and the government of Canada thoroughly understand each other. We must have this understanding if democracy is to survive this terrific crisis. The hour has come when we must throw off the old mantle of what might be termed political camouflage and don the suit of political truth. I urge the government to take the Canadian people into their confidence and tell them where Canada stands in this far-reaching and devastating struggle.

I realize what has been pointed out on more than one occasion, namely, the tragic dangers that lie ahead, and I cannot help feeling that our people have been to some extent misled in the past. The government's

repeated boast of winning the last election is not good enough to meet the present situation and the terrific task that lies ahead of us now. No one within the sound of my voice will, I am sure, say that any of those old-time political slogans have much bearing on our present situation. Those old slogans about economic appeasement, "our status as a nation," the election slogan of "national unity," and the promise of "no conscription," recruiting for "home defence only," the "pay-as-you-go policy"—all these have indeed been convenient mile-posts on a road which, however convenient in times of peace, is of no more use to-day than last week's dream.

This is not a war between two countries. It is not a war even between two great parts of the world. It is a war between two ways of life, a war between freedom and slavery. Many countries which had much greater military preparations than Canada has ever had, and which were much more strongly determined to hew to a line of home defence only, have one after another fallen before that gigantic dictatorial force which has swept fourteen or fifteen countries to ruin and defeat. Let us not fool ourselves, and much less our gallant soldiers by conscripting them to fight for our common defence in Canada when the freedom and the very life of our people depend upon the battles that are being fought by the British forces overseas. We are a nation within the empire. We do not stand if that empire falls, and our first concern must be to fight the battle over there, even if our last effort should eventually be home defence here.

May I suggest that a more vigorous policy for Canada of total war for victory rather than the more popular plan of home defence for Canada would do much to encourage our great friends and neighbours, the United States of America, to enter this war whole-heartedly. The only sure home defence of this British dominion is a British victory and our continued protection by the British navy. Indeed, that is, I believe, the only permanent defence upon which our great neighbour to the south depends. I say, therefore, that Canada's front line of home defence and her front line for victory are one and the same, and that line to-day is in the English channel and in the Mediterranean sea, as has been well said already by many hon. members. If by any chance the battle that is being fought over there were lost—and by the way we are proud indeed that we have noble volunteers in that battle—Canada's next line of defence would lie within the protection of the United States of America. Even our great friend, the United States of America, is rapidly beginning to realize that her only sure hope rests in an all-out victory by the British forces.

May I now be permitted to refer to one or two editorials by an important United States writer. They have appeared in the Chicago *Daily News*. The Chicago *Daily News* is a notable paper in the United States and its service is taken by some twenty-five or thirty papers in the United States and by many papers in Canada. Last May, in an editorial headed "The Hour of Decision," it says:

> If these vital interests can best be served by aloofness from any participation in the crucial struggle now in progress in Europe, then we should remain aloof and inactive.
>
> If, however, our vital interests are involved and we will be critically and perhaps disastrously affected by a defeat of the allies, and a victory for Germany, then indifference to the outcome and pursuit of a policy of rigid isolation not only is cowardly and despicable, but is as well a betrayal of our vital interests.

Then again:

> Here is a life and death struggle for every principle we cherish in America for freedom of speech, of religion, of the ballot and of every freedom that upholds the dignity of the human spirit.
>
> Here all the rights that the common man has fought for during a thousand years are menaced.
>
> The time has come when we must throw into the scales the entire moral and economic weight of the United States on the side of the free peoples of western Europe who are fighting the battle for a civilized way of life.

In another editorial published in the same month of May, and headed "Time to Face the Truth," the *Daily News* says:

> We are already lending aid to the allies: Why?
>
> Because our own national interests demand it, because it is against our vital interests to have Germany emerge from this war with complete domination of both land and sea in the eastern hemisphere.
>
> But this is not all. The conquest of Britain by Germany would destroy the British empire. That empire would disintegrate. Canada is a part of it. Lacking the protection of the British fleet, Canada would be unable to maintain its independence. Would we permit it to become a colony of the German empire? We would not. As an act of self-preservation we would forthwith go to the assistance of our northern neighbour, and forcibly prevent German aggression directed at Canada.

To show that the great majority of the people of the United States feel that they are dependent, as I have said, on the British navy almost as much as Canada is, I quote from another article by a writer who knows the foreign situation very well indeed. Writing in September on the warship deal, he said:

> The chief defence of the United States, our real ability to make and keep the Monroe

doctrine effective has, since 1823, depended upon Anglo-American domination of the Atlantic.

In the absence of a fleet immensely more powerful than ours is now, hemispheric defence, many experts believe, would have proved difficult.

Britain's contribution to America's sea defence was, until we finally built a great fleet, far more important than ours. It consisted and still consists primarily in keeping any other European fleet from entering the Atlantic ocean in force. This is the importance to us of preventing Britain from going under and, what is equally important, of seeing that the British fleet is in a position to control not only the North sea and the channel, but Gibraltar and the west African route as well.

Germany has now taken possession of the low countries, temporarily at least. But friendship with the United States has remained and is apparent in the present exchange of bases for destroyers which may ultimately save Great Britain and, thereby, conceivably the United States as well.

On November 18, he also wrote in an editorial which is of interest in other respects:

Under the terms of our joint defence agreement with Canada, we have an equally clear right to make our southern fields available to the regular Canadian training plan.

The Canadians may wish later to send some of these pilots overseas to fight for Britain. Thus, indirectly, we would be aiding Britain by training Canadians here. But of course we are already committed to a policy of aiding Britain, and that policy rests wholly on the assumption that by aiding Britain we contribute to our own defence and the defence of the hemisphere.

I wish to compliment the Prime Minister (Mr. Mackenzie King) and the government upon having secured a joint defence agreement with the United States, because I realize fully, and I hope the country realizes, that if the need for the home defence of this country arises, we can have no hope except in a joint defence by the United States and Canada. We have heard almost daily from an anxious press and from a large department of governmental publicity that old hackneyed slogan of recent months, "Let Us Face the Facts." I believe, Mr. Speaker, that we must face the facts and tell our people that if the battle of Britain is lost in the eastern hemisphere, the only dismal hope that is left to us of security is in a joint defence of the western hemisphere by Canada and the United States.

Our purpose should be, not to place so much emphasis on home defence but rather to follow the leadership of that great British statesman, the Right Hon. Winston Churchill—"on with the war to victory." I am confident that we can achieve victory, but we can do so only by standing together and looking at our problems realistically. Instead of conscripting a vast army for the defence of Canada, in order to fight only in Canada, when the war is being waged somewhere else, we should rally behind the British in prosecuting the war on the battlefield. I say that in all fairness to the government, and I believe the Canadian people will endorse that view. It is more important to conscript men, if one should wish to use that term, to work in our factories in order to provide the war equipment and munitions essential for the successful prosecution of the war overseas than it is to conscript men on the assurance that they will not have to leave the shores of Canada, that they will merely have to fight in a country where there is no fighting; for we must remember that, as has been said, Canada is a peaceful country; and when the battle comes to Canada the victory is lost. If we want to win the war, if we want victory, then we must not put the emphasis on home defence in the sense of having armed forces over here.

We are thankful for all those noble men who have volunteered to serve their country without any regard whatsoever to government policy. These men have been only partly equipped by Canada. The war has been going on now for fifteen months and we have only 50,000 men overseas. Canada wrote a glorious page in the history of empire progress in the years from 1914 to 1918. The Royal Canadian Air Force, composed of the best air men in the world, is writing as glorious a page in our history to-day. I hope that when the war is over, we shall not be charged with having prepared an army for the purpose of fighting where there is no fighting while we have neglected to support those who are bearing the burden of the struggle. There are other factors of vital concern if we are to achieve victory. The sudden and spectacular deviation this afternoon from ordinary procedure is further evidence of these other vitally important issues; for we see the necessity of maintaining our basic industry, the business and commerce of the nation, and all that contributes to the prosecution of this terrific war.

We are told in history—I do not know what gold standard they had in those days—that war in Caesar's time cost seventy-five cents a head. In Napoleon's time the cost was $375 a head. As nearly as we can estimate, it was $20,000 in the last war, and it is estimated by some leading economists to-day—I have heard many of them talk in this house—that the per capita cost in this war will be $50,000. That being so, surely we can face an additional cost which the government estimates at something like $1,500,000,000 a year. The old policy of pay as you go, which we heard so much about a year ago, and which sounded so politically popular at the time, is of little

use to-day. Indeed, it sounds as foolish now as if a man whose house was burning down refused to turn the water hose on the fire until he had paid his water rate. We realize that there are enormous obligations on the government, and these obligations will become still greater. In meeting them it is at times as dangerous to pay as you go and to collect taxes for the purpose as it is to mortgage the future. There is a limit beyond which the government cannot go without completely strangling industry and destroying the initiative which makes for industrial expansion.

Another very important phase of our war policy, has, in my opinion, been to some extent neglected. I refer to the present position of agriculture. The other day we listened to the speech delivered by the Minister of Agriculture (Mr. Gardiner). We expected him to bring down some information that would be of use to us. He told us a good deal about his trip overseas and it sounded as if, while he was over there, he had found an old Liberal campaign handbook. He told us that the farmers will be expected next year to produce more for less. He told us that there was an agreement, which he has not yet presented to the house although he has been asked for it on many occasions, which would enable us to sell over $100,000,000 worth of agricultural products.

I agree with my hon. friend, my colleague and desk mate (Mr. Bruce), in what he said the other day, namely, that we should not bargain too much with the old land at this time when she seeks credit from foreign countries. Our government should ask the people of the mother country how much she requires—not how many hundred million dollars worth, but how many pounds of foodstuffs—and how much they can pay for those foodstuffs. If they cannot pay more than eighty cents on the dollar, then let us give them those foodstuffs at that lower price and pay the farmer the difference. We are giving them little that they are not paying for now.

I suggest that this government would be well advised to add to the $1,500,000,000 a year war programme a little more in order to carry on the war properly. We are not encountering the obligations which the old country has to face; we are not enduring the bombing that the people over there have to put up with; we are not separated from our children as they are; we are not paying the taxes that they are paying.

We have wide-open spaces, idle farms that can be made productive; and there is no more loyal class of people in Canada than our farmers, who have struggled through adversity in the years that have gone. Many of these people are from the mother country; others have come from other lands, but they have been assimilated and have come to respect our British traditions. They are proud of the freedom that they now enjoy under the British flag. Well, this freedom must be paid for now; it must be safeguarded; and I submit that if the government is to carry out its full duty in this war, it should make possible the disposal of foodstuffs to the mother country at reasonable prices.

But the government have a responsibility to the great basic industry from which that supply must come, and if they understand the public, as I know that many of them do, they must realize that during the last ten years Canadian farmers have gone through very difficult times. Canadian agriculture might well be called the "loss leader" of Canadian prosperity. Our farmers have produced at cost—and, if they had the capital, they would produce at less than cost—until thousands of farms have slipped away from underneath their feet.

I know what our rural people have endured and are now enduring—great hardships and losses—and I can tell the government that they have been greatly disappointed. Last year they were assured that they would receive certain prices for their products. Several boards were established to safeguard the production of vital foodstuffs for the war requirements of Britain. Some of the boards set up were: the agricultural supplies board, the fertilizer supply committee, the fruit and vegetable committee, the dairy products board and, last but not least, the bacon board. I have no doubt that prominent and capable men were named on these different boards.

The farmer was given to understand, through the bacon board, that he could figure on around nine cents a pound live weight for his hogs. But what happened? The Minister of Agriculture the other day said that the farmers were quite capable of marketing their own products successfully. Yet we find that on these various boards—there are twenty-five or thirty men on them—there is not a single farmer or producer representing our great basic industry. Is it any wonder the farmer now says, with a great deal of justification, that he is the forgotten man in this new type of Canadian politics? I do not wish to suggest that a sop was not thrown out to him. He was told, "We will name a couple of you on the advisory board." But what did that really mean? That board has no authority but sits merely as an advisory board to advise other boards that have the authority.

I would point out that there are many other processors, such as the meat packing interests

of Canada, who are named on these boards, and rightly so. The meat packers of Canada should have representation on the board. The canning factories should have representation. But the meat producers of this country have an equal right to be represented on that board with the meat processors.

I want to leave a few suggestions with the Prime Minister, who has extended to me the courtesy of bearing with me for these few minutes. There should be a full-time minister of agriculture. That does not come as an original suggestion from me; it has been put forward by several other hon. members. I say that with all respect for the ability of the present Minister of Agriculture; it is a full-time job. If agriculture is a basic industry of this dominion; if our war effort depends as much on the foodstuffs as on the munitions and war equipment we produce, as we were told by the Minister of National War Services the other day, then the agricultural industry is entitled to the attention of a full-time minister, no matter how capable the present holder of that office may be.

It has also been suggested, and I agree with the suggestion, that the government should give serious consideration to changing the control of the marketing of agricultural products from the Department of Trade and Commerce to the Department of Agriculture. The other day the Minister of Agriculture said that this would not be as good as the dual control which they have at present, but that statement seemed strange, especially in view of the fact that he as Minister of Agriculture had just returned from overseas where he had been trying to market our farm products. It certainly is not in keeping with the evidence and recommendations of the Shaw report of two or three years ago when a group of men were sent to the old country for the express purpose of finding out how this dual control worked. On their return they reported to the government by the Shaw report that they were not in favour of dual control. We have seen many clumsy examples of this dual control, and I am not sure that those inside the government have not seen more than clumsy handling of the department, because I do not believe that at all times it runs as smoothly as may appear on the surface.

I realize that the minister has already told this house that he has secured an agreement for some 112 million pounds of cheese required overseas. I do not intend now to take much time in discussing what might be done in that regard. I have strong convictions as to many things that could be done to help cheese production in this country and the consumption of it elsewhere. I find that the price for this increased amount is going to be something like two-fifths of a cent higher than it was last year. It is going to be 14·4 cents a pound. If there is an hon. member in this house who has had anything to do with dairying, I would ask him, does he not think the government might give careful consideration to the small encouragement that this offers the farmer in producing milk at $1 per hundred pounds—and less, as it represents.

In view of the fact that Canadian farmers received less last year than they were assured for their bacon; that they have been told they are going to receive less this year than last, and that although they are engaged in the only basic industry in Canada that is important to our war effort, that has been asked to produce more for less and pay 13 per cent more for the products they require for the operation of their farms, the government should give careful consideration to the measures for making the farmer prosperous.

May I clarify my position, if it needs clarification. I am not appealing for war profits for the farmer, but I am appealing on behalf of our empire war effort and the war services that the farmer is ready to give, but cannot continue to give indefinitely by producing at less than cost of production. Therefore it is essential to the security that we owe to Britain, essential for the foodstuffs that may be required sooner than we expect, even though we have a few surpluses, to place agriculture in a position where it will have some incentive to produce to capacity. Consequently I suggest that the government, whether it be by way of a subsidy or a bonus —call it what you will—a war subsidy, a war bonus or war assistance, give assurance to the farmers that they will not be asked to produce essential war commodities, the foodstuffs that are vital to our own life, the life of Britain and, indeed, to the life of Europe later on, at less than cost of production, but that they should be on a basis with the munitions manufacturers, on a cost-plus basis rather than a cost-minus basis.

It is unsatisfactory for the farmers in my riding and elsewhere when they know that under our present plan for victory amateur carpenters, some of whom can hardly drive a nail straight, have been getting ninety cents an hour with double pay for overtime, while the farmer is told that if butter goes any higher the price will be fixed. I think it was only the other day the Prime Minister himself assured labour that any concessions they give now will not be forgotten, that they will not lose anything by their contribution to the war effort. With that I heartily agree; the

labouring man is entitled to his hire; it is essential for him to be satisfied and that we shall not have strikes but have a real effort on the part of labour to achieve maximum production.

I submit in all sincerity that it is equally essential that the great basic industry of Canada be given some assurance of economic security, not for the sake of the profits the farmer may make but in order that he may give still greater service to the empire and further justify his place in the economic life of this country. That is essential also to the future prosperity of this dominion, because one cannot realize that we have in Canada over 750,000 farmers without realizing also that increased purchasing power in the hands of the farmers generally would go a long way toward solving the very problem with which the government is confronted to-day. Without that purchasing power I do not see that there would be much hope for prosperity even if we did not have a war.

I know there are those who will say that this is a drastic proposal, but we have paid peace-time subsidies on many products. We have fixed the price of wheat; I think it is fixed too low, but I am not going to state the figure that I think should be set. I would ask the government, however, at least to give serious consideration to putting agriculture on a war basis, though not for the benefit of war-time prices. If they think the price is going too high let their boards function in order to keep it at a reasonable level. I know something about agriculture; at least for a long time I have been trying to learn something about it, and I submit that under present conditions we are in grave danger of a curtailment in the production of pork, cheese and other vital commodities. Unless some action is taken or unless these prices rise without governmental action, we may find ourselves unable to furnish the quantities that the Minister of Agriculture has assured Britain.

I hope I have not laboured this point too greatly or delayed the house too long while dealing with it. I had not intended to speak at this length, but I should like to tell the government once more that in my opinion we have placed too much emphasis on home defence and to no small extent have let that idea becloud our real war effort. I believe we must develop, not only in the minds of those who may be conscripted but also in the minds of those who stay behind, the mothers and close relatives, that a man may be just as useful in a factory, producing essential supplies for the carrying on of the war overseas, as he may be while waiting for a war that we pray to God may never come here.

[Mr. Rowe.]

In conclusion, if the government can place agriculture on a firmer war basis and give the farmers greater security than they have at the present time; if we stand together with one common purpose in mind keeping victory first and home defence second, then I am confident that we shall win over there a victory that will make unnecessary Canada's home defences over here.

Mr. J. M. DECHENE (Athabaska): It is with a good deal of diffidence, Mr. Speaker, that I rise to speak at this stage of this debate, which has been going on for quite some time. I am deeply grateful for the opportunity that is given me at this time to be, for a few moments, the voice of a part of Alberta which for the first time in many years is represented in this assembly by a Liberal supporter. In listening to the young members who moved and seconded the address this year, as I listened to those who moved and seconded the address last session, I was struck with the ability displayed by the young men who have joined the Liberal forces. It occurred to me that it must be very gratifying to the Prime Minister (Mr. Mackenzie King), who for so many years has led the Liberal party in this country, to see attracted to the party young men of this type, who can present their ideas to this house and to the country in such impeccable language and with such force and conviction. It must be consoling, not only for him but for the people of Canada as well, to see these young men active in the ranks of the Liberal party, which as a result will remain a living force in the affairs of Canada not only during this war but also after the war is over.

As the lone representative of the French-Canadian race from Alberta may I be permitted at this point to address a few words to my compatriots who form such an important part of the representation in this assembly.

(Translation): Mr. Speaker, allow me, on behalf of my compatriots of the province of Alberta, to bring a message to my colleagues, so numerous and influential, who represent the mother province, the ancient province of Quebec, and the other eastern provinces. While we love the province of Alberta as a well-born man loves his wife, we love the province of Quebec as a well-born man loves his mother. I bring you this message from my compatriots who inhabit an immense area where, in the parishes as in the villages, although the French Canadians are in a minority, the language of

their fathers has been religiously preserved and remains in high honour. I thank the hon. members of this house for the generous reception they have accorded to a representative of a part of the Canadian land where our French-Canadian compatriots can use their mother tongue and continue magnificently to defend their rights and preserve the language which has come down to them from their forefathers. I trust that the French-Canadian members from eastern Canada will, when the occasion arises, use the influence which I have just referred to for the benefit of their compatriots from Alberta.

(Text) May I be permitted to say a few words respecting the constituency which has honoured me with membership in this chamber? My constituency runs west from the boundary of Saskatchewan, where it adjoins the one represented by the lady member (Mrs. Nielsen). It follows the Saskatchewan river between the fourth and fifth meridians, and extends to the extreme north of Alberta to a point near Fort Smith, the capital of the Northwest Territories.

Listening the other day to the observations of the hon. member for St. Lawrence-St. George (Mr. Claxton) in moving the address in reply, I was reminded that in my constituency even to an extent greater than in his we have a cross-section of the population of Canada. That population was well and ably described the other day by the hon. member for Selkirk (Mr. Thorson). In Athabaska we have peoples from almost every nation in the world who carry on peacefully in that vast country. Some are engaged in farming, some in ranching, some in mixed farming, some in trading and trapping, some in lumbering, some in fishing—all producing a great share of wealth to help this nation while engaged in her war effort. In addition, a large percentage of the young men in that constituency have enlisted in the forces of Canada to fight overseas.

I am not one who believes that democracy will die. I was not pleased to hear the leader of a party in this chamber repeat the unfortunate words allegedly stated by a man living across the border line.

In this session, and particularly during the last session, we have been shown that the people throughout the commonwealth are engaged in a fight described by all as a fight for liberty and freedom. We are fighting not only for freedom of religion and thought, but for freedom by representation in parliament, as exemplified in this chamber. During the progress of the war the Canadian people gave their clear and emphatic decision as to leadership. I have been astounded, however, to note that no sooner had the votes been counted than a number of those who claimed to be the greatest patriots and the greatest defenders of democracy in Canada proceeded to attempt to interfere with the will of the people. There was an attempt to deny the people their right. After they had chosen their Prime Minister and a government formed by him, an attempt was made by some hon. members and through the press—and there is still talk of the kind—to have another man and another government lead the country in its time of war.

I have said that the votes were hardly counted when that happened. The reason given for advocating a change in government a few weeks or months after the election was that the situation overseas had changed greatly since the time of the election. I remember well the words of the Prime Minister at the time of dissolution in January. It was because he felt that the situation overseas would change vastly, because he was convinced there would be a great offensive by the axis powers on the western front, as he declared openly on the radio and through the press, and because he believed a tremendous offensive would be lodged against Great Britain and France, that he considered it expedient to dissolve parliament so that a new government might be formed, and thereby preclude on the eve of an election the possibility of this house engaging in a debate which might become acrimonious. He believed the people of Canada should be called upon to choose a government. The issue was so clear that I found it surprising that any question arose either in or out of the house as to who should lead the government and the country during this time of crisis.

I have made some brief observations respecting Athabaska; permit me another one. In that constituency we have a large number of farmers and, like the hon. member who has immediately preceded me, because of the farm population in my constituency I have a keen interest in what happens to the farmer at this stage of the war and in view of world markets. I could wish only that my voice might be strong enough and have enough authority to reach many more hearers, not in western but in eastern Canada.

I resent keenly the libelling of the province in which I live and in which for almost fifty years I have made my home. I resent the libelling of conditions in western Canada, as preached in this chamber. I know there has been misery and poverty in some places. We

must realize that western Canada, compared with the east, is a country of extreme weather conditions. While crops in the eastern part of this country may vary from year to year, the fact remains that in the western part we are exposed to drought affecting not only one part of a province but, indeed, affecting vast territories, as happened in 1937.

When I speak of 1937, despite what has been said by hon. members across the floor of the house, may I say that we in Alberta, and particularly the people in Saskatchewan, are thankful for the rescue of the vast numbers of farmers—nearly 66 per cent of the population of Saskatchewan—through the extremely precious help extended by the government and the Canadian people generally.

It is in that spirit that I approach the matter of farm prices. In the time at my disposal I would find it impossible to discuss in full the production of bacon, butter, wheat, live stock and other commodities of western Canada. The subject would be too great, complicated and diversified to be treated amply in a few minutes. As an hon. member from Alberta, however, I appeal to the goodwill and good feeling of hon. members and other persons from other parts of Canada in effecting a settlement of western problems.

May I repeat what I have said on other occasions, namely, that western Canada is not a land of IOU's; it is not a land of paupers; although it may have been for some time past, it is not a land of men who refuse to meet their just debts. It is a land of men and women of honour and integrity. May I point out to eastern Canada that under anything like normal conditions the farmer of the west is just as honourable, and just as anxious and desirous to meet his obligations as the farmer or any other person of any part of this dominion.

While there have been extreme weather conditions, and while a bad situation has arisen in some parts of western Canada, a situation which was made worse by the depression, I do know that a large number of farmers are doing well in the west. Many farmers in Athabaska resent being represented, through the observations of some hon. members, as men unable to earn a living, and as men living in a country in which it is impossible to provide the necessities of life. We have heard this sort of thing for twenty years, since 1921. We are on that account sometimes met with considerable antagonism and animosity in the eastern provinces.

Every fair-minded man in western Canada knows there is a difficult wheat situation to face again. The 1940 crop proved difficult, and the 1941 crop will be difficult unless the east and the west get together in an effort to solve this problem. We know we can offer value. Only a few hours ago I was reading an article which brought tears to my eyes. It described conditions obtaining in some of the countries of Europe. Millions are being faced with starvation. In Denmark, Norway and the low countries they will have to kill off their live stock because they cannot import the feed necessary to keep them alive and bring them to market. Starvation will be stalking through the streets and lanes of France. In only a few minutes we shall be going to hotels and restaurants, and I ask hon. members to remind themselves that it is not fair for us to speak as we have been doing. Hon. members talk of the misery we are in, but we do not know what true misery is.

Mr. JAQUES: No reason why we should.

Mr. DECHENE: May I say to my hon. friend that I know more about the situation in Canada than he does. The problem of financing the next crop, should it prove bountiful, cannot be solved by displaying the sort of spirit displayed by the hon. member. This problem should be considered in a national way. This is the thought I want to bring from the vast country of Athabaska. The federal and provincial departments of agriculture will have to get together on this matter. Complete information should be furnished to the farmers of the west. If I am correctly informed, there is no wheat problem in eastern Canada because last year's crop has all been sold. Our farmers should be told of the advisability of and the necessity for leaving greater acreage under fallow. This should be done in order to clean the land. A great deal of western land needs cleaning because it has been badly infected with weeds, and next year would be a good time to undertake this work. A greater acreage should be planted with hay in order to clean it up and bring back the fertility which has been lost.

I do not think I am divulging any secret when I say that bacon is not considered a necessity by the British government. Great Britain can secure her requirements from other countries at lower cost, and we should be thankful that Britain has consented to renew the bacon agreement and to take a larger amount of bacon although at a somewhat lower price. It may be that this agreement was entered into as partial repayment of some of the sacrifices Canada has made. I was glad to hear the Minister of Agriculture (Mr.

Gardiner) say—I remind him that we will expect him to live up to this—that better methods of handling and improved marketing will ensure the producers almost the same price for bacon as they secured last year.

I hope I am not taking up too much time in referring to my own riding of Athabaska, but it has been badly neglected in years past. First, I should like to refer to the tremendous undeveloped water power in that riding. There is the Peace river which flows in from the Rocky mountains, there is the Athabaska, there is the Clearwater. The potential water power of those rivers has never been fully estimated by engineers. At present those waterpower sites are too far away. There is a great need for the development of the natural resources of western Canada. The financiers of eastern Canada will not invest their money in the west unless we meet our just obligations. The investment of capital has stopped and our resources are lying dormant.

I should like to give hon. members some idea of the amount of tar sands which are to be found in the vicinity of Fort McMurray. There are billions of tons of these sands, and one of the finest sights one could see is to travel down this river in a boat on a sunny day and see the tar sands on the banks throw back the reflection of the sunshine. Some of these banks are 300 feet high and they extend for miles. Millions and millions of barrels of gasoline, lubricating oils and other by-products could be produced from these sands, and they would provide sufficient paving material to pave the streets of every city in Canada.

The main problem is that of transportation. Within three miles of Fort McMurray there is a modern salt factory, and in spite of the higher freight rates which have to be paid, this industry has been able to compete for the markets of Alberta and part of Saskatchewan. It turns out one of the best table products which can be found in that part of the country, but relief is needed in the form of reduced freight rates between Edmonton and Fort McMurray. On a shorter haul by ten miles we pay a forty per cent higher rate. This goes a long way towards retarding the development of our tar sands and other natural resources. I might say, Mr. Speaker, that a small refinery is already in operation testing the tar sands, and their development has been proved feasible. If the transportation problem were settled, we would be producing vast new wealth in northern Alberta.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. DECHENE: I regret very much that I was unable to conclude before six o'clock and must therefore inflict myself upon this august audience for a few minutes more. I will, however, try to be as brief as possible.

I wish to make one more reference to the extremely important subject of wheat. I agree with the hon. member for Portage la Prairie (Mr. Leader) that, in order to enable our farmers to carry on with a smaller acreage, after the campaign which I attempted to describe briefly before the recess, a higher payment for a limited acreage might prove a solution. I have every confidence in the officials of the departments concerned, both agriculture and trade and commerce, and I refuse to get excited by anything that our friends across the way may say. They appear to know more about this subject than those who have been at it for years.

Mr. BLACKMORE: The hon. member will know a little more after a while.

Mr. DECHENE: The hon. gentleman will never learn, it seems. Take, for example, the system of financing which he advocates—and I did not wish to speak about this. Apparently he does not know that any system of financing, no matter whether it be private or public, ultimately rests absolutely upon the integrity of the individual or of those bodies comprising the government.

Mr. BLACKMORE: What makes the hon. member think that?

Mr. DECHENE: Any party which repudiates, in its first act of political power, its sacred obligations without attempting to make any kind of arrangement to meet them, is unable to understand this question and should not be entrusted with the settlement of any financial question.

This afternoon we heard the Prime Minister in another of his comprehensive statements on the war situation. May I be allowed to say a few words with reference to our views—I say "our" as representing the people who sent me here. It was with the deepest of emotions that, a few days ago, we heard Mr. Winston Churchill, Prime Minister of Great Britain, speaking to the people of France; and a few days later, in quite as eloquent an address from this side of the Atlantic, another able man addressed the French people. He is a representative of those who for over three centuries—since

1632—have played their part in the development of this country. It was at that time that my ancestors came to Canada, and I think I have some right to say that it was with feelings of pride that I heard this able voice from our side of the Atlantic. Many of us believe that it had a great influence on the decision of the Vichy government.

Some of our sons have already made the supreme sacrifice; already many of them lie at the bottom of the ocean. They have shown what this young and virile nation can accomplish on the sea; for now we have a navy. The other day, walking down the street here, I stopped to see a company of soldiers pass by. What splendid men they were! They came from the farms, from the factories, from industry, from every part of the country, free men who had voluntarily enlisted because they wanted to defend something they held dearer than life. I was never so proud of being a Canadian. I realized then that we were out to do our share, that while the British lion was roaring its defiance on the cliffs of Dover, the cub, almost fully grown, was standing by his side.

We may disagree with regard to the work of this government, although I have not heard one real criticism of the way in which it has conducted the war, but when I return home after the house adjourns for the long recess, I shall be prouder than ever of the support I have given to the King government. I am returning home, too, with the thought that now Alberta has an important representation in the Liberal party. After the last election the strength of the Liberal party in that province was greater than that of any other. After all, Liberalism stands for unity and understanding and now there will be no more of fighting between east and west. I must admit, however, that the fault was our own.

I have known the province of Alberta for a long time; I knew it as a boy. What a lovely country, what a marvellous country to a young fellow! The opportunities seemed to appeal to youth, from its plains and forests, its rivers and mountains. Everything in that vast and rich country appealed to a young man. On one occasion an orator expressed this fancy, that when the beneficent Creator had made the universe, after throwing into space stars and planets and suns, and when He decided on the seventh day to rest, casting a look over His work, with which He declared Himself satisfied, He must at that moment have noticed particularly Alberta with its fecundity of soil, its mountains, its vast lakes, its coal mines, that almost limitless province which now

appeals to the whole nation for a better understanding. We know that we cannot carry on as Albertans; we do not want to, we want to carry on as Canadians.

A few weeks before the grand old chieftain of the Liberal party, Sir Wilfrid Laurier, passed to his reward, a group of ten or twelve young men from Alberta visited him. They were students from the university of Alberta and some of our higher schools of education in the west, young men of different languages and different descent representing the typical soul of that province. They came to Ottawa, and before going home they called on that grand old leader of Liberalism just a few days before his death. One of these young men recounted to me his interview with that great man who said to him that day, "I stand speaking to you with a foot already in the tomb." My belief—and I do not fear to express it here; it may sound foolish to some but it does not to me because I believe in something beyond the material things of life—is that when a man has served his people as Sir Wilfrid Laurier and other leaders have served them—I suppose Sir John A. Macdonald had that vision—and has devoted his life, his talents, his soul and the best that is in him to the service of his fellow men, he comes nearer to God. That is democracy, as opposed to any kind of autocracy, whether of a man or of a group.

Such men seem to get a vision of things to come. This young man told me—and he repeated it to me recently—that Laurier foretold exactly what is happening now. He said, "Young men, I am so pleased to see you, to see that you have the training given by our best schools and universities, typically, truly Canadian; that you have been taught the principle that the life that is worth while is founded on sacrifice more than anything else since the great sacrifice." He said, "Before you are of mature age, long before you are as old as I am, you will have lived through such terrible happenings as no one could ever describe. The struggle will be stupendous and terrific." That was more than twenty years ago. He said, "Arm yourselves with this thought, to prepare yourselves for this struggle which will be one for the salvation of humankind."

As we have been told so often, it is a struggle for liberty and freedom. More than that, as the Minister of National Defence (Mr. Ralston) said at Toronto, I think, during the adjournment of parliament, it is a struggle for the very soul of things that belong to the inner life of man. The great chief said to these boys, "You are going to see these things; I am too old. I have tried to lead my people, like Moses, at least as

far as Mount Nebo where I may see the promised land." Let me express the hope that more than this will be granted to our present leader. Sir Wilfrid said, "Young men, things may look very bad, but do not get discouraged; carry on. Take my word, as a man near the last step; justice and right shall triumph in the end."

Yes, Mr. Speaker, these prophetic words are true to-day; justice and right shall triumph in the end. May I express one wish before I take my seat; I wish that the present leader of the Liberal party, who also has given his life, not to his party but to his country, may not only see the promised land—and not from afar, not in a vision from a mountain top—but after a victory for freedom and democracy may lead his people into the promised land and to better days.

Mr. T. J. O'NEILL (Kamloops): The mover and the seconder of the address in reply to the speech from the throne have received well merited praise; may I, however, add my congratulations upon their able speeches?

This debate has been carried on now for about three weeks, and we have listened to some excellent speeches from all sections of the house representing all shades of political opinion, to most of which addresses I listened with interest if not at all times with approval. I feel safe in saying that last fall when we received the news that parliament was to be reconvened on November 5 for the express purpose of formal prorogation and that the next session would be held some time in January, the majority of hon. members in western Canada received that news with approval. Later we were told that this programme had to be abandoned; that we would be convened on November 5 and should come prepared to stay; that the opposition were to ask certain questions and for information for which the vast majority of the public were supposed to be clamouring and that at the same time the government would take the opportunity to give an account of their stewardship.

Well, Mr. Speaker, the vast majority of the people of Canada at the time of the election were quite satisfied with the Mackenzie King administration, and I am of opinion that they have not changed their mind since then; they are still clearly of opinion that the Mackenzie King government could not be improved on very much at the present time, at least from those now seated in this house.

We have heard from some quarters quite a clamour for a national government and a good deal about leadership and about this being a Liberal war. Such statements and accusations emanating from this house do not help to unite the people of this country. As far as national government is concerned I cannot agree that this is not a national government. With respect to leadership, Canada is very fortunate at the present time, and so is the Liberal party, in having such a leader as the present Prime Minister (Mr. Mackenzie King). There is no parallel to such leadership as his in the British commonwealth of nations to-day. No man has held the leadership of his party longer than our Prime Minister has in Canada. And I can assure hon. members that at times it is a difficult job to hold the leadership of that party.

The other night the hon. member for Fraser Valley (Mr. Cruickshank) made an excellent address to which I listened with keen attention. But he made one remark with which I cannot agree. He said that this house should sit almost constantly while the country is at war. I do not agree with that view so long as the government follow the present policy of depending for advice upon a number of high salaried executives recruited from the ranks of industry. In many instances these industrial leaders are not sympathetic to Liberal policies, and some of them are unfriendly and unsympathetic toward the labour class. England has found it a great advantage to take labour men into the cabinet, even though they held different political views, because they understood the viewpoint of the labouring classes, and it helped to give confidence to the labour people if they thought they were well represented in the government. I think it is high time the government of Canada gave more consideration to the views of labour and the farmers.

At this point I should like to congratulate the Minister of Finance (Mr. Ilsley) upon the restrictions he is imposing on luxuries and non-essentials of war. Much has been said about equality of service and of sacrifice. The restrictions introduced to-day probably will bring about some of that equality of sacrifice, but I believe we are using the wrong yardstick when we measure that equality. I maintain that equality of sacrifice must not and cannot be measured by the amount of money you take away from a man by means of taxation. It should be measured by how much you have left him when you are through taxing him. That is the yardstick you must use if you are going to have equality.

This brings me to suggest once more to the government the advisability of relieving low paid workers from payment of the national defence tax. I refer particularly to those people who are receiving less than $750 and $1,500 annually, for single and married people

respectively. An increasing number of people are asking, who are the financial advisers of the government? Many people consider that salaries far too high are being paid for the belt-tightening advice these financial experts give, especially to people who have had to tighten their belts to the last notch during the past ten years. I have in mind now the farmers and the unemployed. Many reasons have been advanced for the lack of interest and enthusiasm in the last war loan, but it seems to me that very few of those who have dealt with that question have even touched on the real reason why the last loan was not received as enthusiastically as it should have been. At this time I think the government might well pay heed to the repeated warnings that an overhauling of our monetary system is long overdue.

Mr. BLACKMORE: Hear, hear.

Mr. O'NEILL: My hon. friend in the far corner says, "hear, hear." Well, I am not in agreement with everything that is advocated by my hon. friend, but I know there are many people—and the number is increasing daily—who ask why we should continue to pay tribute to private individuals and companies for the use of something that already belongs to us; I refer to the credit of the country. Unfortunately, when this subject is broached, we are usually ridiculed by shouts of "funny money," or the authorities take refuge behind the bogy of inflation. A few days ago a very good editorial on this subject appeared in the Ottawa *Citizen*. I hear someone behind me make a remark not quite complimentary to the *Citizen*, but that newspaper does contain some admirable editorials, although I do not always agree with them. In speaking of "funny money," however, the editorial asked what could be funnier in the way of money than digging gold out of the mines of northern Ontario and then taking that gold and burying it in the hills of Kentucky or Virginia for safe keeping. That seems quite ridiculous, and in my opinion some of the things that are done to-day in the name of high finance are just as silly.

Inflation is a word that is heard a great deal these days, and with regard to which there is a great deal of misunderstanding. I care not how well educated or well informed a man may be, before he can carry on an intelligent discussion of the subject of inflation he must first agree on the definition of that word. In my opinion inflation exists when there are in circulation more currency and credit than are necessary to consume the products and services of any country in any given time. We were told also that inflation could not be controlled. To-day any man who is a traitor to his country is put to death. In my judgment any man who would do anything to sabotage the finances of this country when we are at war should be put to death in the same way as the man who would give away our military secrets.

I now come to the question of government employees receiving less than a fair wage, with which subject the hon. member for Fraser Valley dealt aptly the other night. In my opinion those receiving less than $60 a month are not receiving a fair wage. The government should consider increasing their wages, and should see to it that industry follows its example. Then there would be no unfair wages paid in this country. A few days ago I saw in the press a paragraph reporting that the civil service commission said it would not be good business to increase these low salaries because then they would be out of line with wages paid by private enterprise. I do not know that anyone has ever suggested that wages paid under the civil service commission in the high brackets are in keeping with wages paid by private enterprise. Certainly I am not of that opinion.

My constituency has not benefited in any way since the war broke out. The people in my constituency do not wish to benefit, but they are definitely of opinion that they are not being permitted to contribute to the war effort the share of which they are capable, so long as so many who are willing and anxious to work are still unemployed. In one of the best newspapers in Canada, the Kamloops *Sentinel*, I noticed this paragraph:

> Increase in transients is noted by city police. A considerable increase in the number of transients travelling from the prairies to the coast is noted in the October report of police activities filed in the city council last week by Corporal E. A. Jarvis. . . .

People in the west do not consider they are being permitted to contribute the share of which they are capable, so long as those people are unemployed. I do not consider that there is any case for unemployment at all, so long as there are people in the east working overtime, as they are doing at present. That time ought to be more evenly distributed than it is.

There is one other matter about which the people of Kamloops would like some explanation, in addition to that forthcoming from the Department of National Defence. According to the records, Kamloops has more hours of sunshine and less precipitation than any other place in Canada. It is on the main lines of both transcontinental railways. It has an airport capable of handling everything, except the very largest bombers. The soil

condition at Kamloops is such that in no more than two hours after a very heavy rain the ground would be dry enough for troop marching and manœuvring.

All these points have been explained to the Department of National Defence, but the reasons given for moving the troops from Kamloops to New Westminster are not sufficient. With all due apologies to the hon. member for New Westminster (Mr. Reid), let me point out that ever since moving to that city the troops have been more or less ill. They have not been able to train and drill as they should. We are told by the department that the idea in these days is to get the men in the very best physical and military condition in the shortest possible time. If that is so, then I say that the proper place to keep those men is the place where they can drill the greatest number of hours in the outdoors. That place is Kamloops, British Columbia. I say that we are entitled to some further explanation. The explanation I did receive—and I say it is not good enough—was this: "Selection was made on the considered recommendation of responsible officers who gave due regard to the factors which are considered important in the national training scheme."

In my view the department should consider the arguments we put forward as to why training should be kept at Kamloops. Incidentally may I mention that the first battalion of the Rocky Mountain Rangers—by the way, the oldest battalion in Canada—trained at Kamloops for four months and never had to interrupt their schedule for a single day on account of adverse weather conditions. But since they have moved to New Westminster there have been nothing but interruptions. Of course, they moved to New Westminster at the wrong season of the year. Had they been there in June, July, August or September they would have had fine weather. But from September on, it rains eternally at the coast, just as it snows eternally in Ottawa.

Mr. REID: Not this year.

Mr. O'NEILL: Ottawa would be a better place in which to train, because training could be carried on once the snow was removed. But nothing can be done in the rain, except keep the men in the huts—and that is what they have had to do.

In corroboration of that, may I refer to an article from another famous newspaper in my constituency, namely, the Salmon Arm *Observer:*

> Pte. George Boutwell of the R.M.R's was home on sick leave over the week-end. A great many of the boys are suffering from 'flu down at the camp in New Westminster.

I now come to the question of Christmas leave for soldiers. This is a matter which I have taken up before. I have letters on my file going back as far as last April, and addressed to the late Hon. Norman Rogers, then Minister of National Defence, calling his attention to the fact that many men on leave were riding freight trains, and asking that something be done. At that time I suggested that these soldiers should be given tickets which would not be transferable and would be good only for men in uniform.

I bring this matter up to-night because I have before me a petition signed by 1,700 citizens of Kamloops, asking that this should be done. Most of the men in camp at New Westminster have come from the interior of British Columbia. Some people will argue that having reduced the fare by half we have already done enough for the soldiers. Well, they cannot come home on a half fare any more than they could if the fare were doubled. They receive $1.30 a day or $39 a month. Most of them send $20 or $25 a month home. The result is that after they buy their tobacco, shaving soap and other necessities they have very little left. They have no money to pay railway fares, no matter how small those fares may be.

When we speak about fares for soldiers we have always been confronted with the excuse that the cost would be too great. Well, for ten years prior to the outbreak of this war, whenever any suggestion was made for social reform we were always met with the same question: Where is the money to come from? Everybody knows that each year we have a heavy railway deficit. May I remind the house that when I make these observations I am not in any way casting any reflection on the railways. Nothing can be said against either the men or the management of either of our Canadian railways. But a good deal can be said about the dead horses for which the Canadian railways are still trying to pay. As a result, each year we are faced with a heavy railway deficit. I maintain that the payment of fares for soldiers involves only the transferring of an entry from one account to another. It would not entail the outlay of any money. Instead of its being paid by way of fares for soldiers, it would be paid by way of railway deficits.

I maintain, therefore, that the government should give consideration to the question of giving free transportation to soldiers. I quite appreciate that it must give consideration to what military officials may say respecting the number of men who would be permitted to go home. I appreciate, too, that it could not be expected that men now located at

Valcartier could in all fairness be permitted to come home. They would have only six days leave, and they would require seven days to make the trip. Therefore there is no use in talking about men going from Valcartier to British Columbia.

But there is no reason in the world for urging that it would cost too much money to send a man from New Westminster to Kamloops, from Calgary to Kamloops, from Kamloops to Calgary, from Winnipeg to Regina, or distances such as those. By no stretch of the imagination can the soldiers be expected to pay those transportation costs, when they make only such a small amount of money.

For many months past hon. members have advocated an increase in payments to those receiving old age pensions. Living costs have increased. I realize that they have not increased to any great extent, and I agree that the government is to be highly complimented upon the fact that it has kept down the cost of living. When we consider the increased cost of living at the time of the last war, we realize what has been done by the government in the present instance. It is to be highly complimented upon the fact that there has been an increase of only 4·6 per cent in the cost of living. But to people receiving $20 a month old age pension, such an increase means that they will have to deprive themselves of some of the necessities of life. Any democratic country, whether at war or not, should be ashamed to have such a condition existing. It might be expected to be found among the people from whom we took this country, but we should not permit it.

I come now to the question of dependents' allowances, and I should like to congratulate the chairman and the members of this board upon the wonderful cooperation they have given to me. I expect that all other hon. members have received the same service in connection with dependents' allowances. I appreciate that when a country changes from peace time to war time and increases its military strength to the extent which we have, it would be an almost insurmountable job for any man or body of men to conduct the necessary investigations in order to have these matters adjusted in the manner we would like. But there are some things which should receive attention.

I have the particulars of one case upon my desk at the present time. The allowance of a widow whose son had enlisted was cut from $20 to $10 because she had an unmarried daughter who was earning $70 a month. I do not see why the government should attempt to shift its responsibility to the shoulders of an unmarried daughter. Because her work was so far from home it was necessary for this girl to room and board, and she paid $30 for this accommodation. Then she had uniforms to buy, laundry to pay for, carfare and other incidentals to take care of, as well as the dribs and drabs by way of taxation, such as the defence tax and the provincial tax of British Columbia. The result is that this girl has nothing to give to her mother, and very little left for herself. Such reductions should not be made.

In conclusion, I should like to make a few comments with regard to the 30-day training period. To my mind this period is not long enough, although it is better than no training at all. I was glad to note that the Department of National Defence is contemplating increasing the training period to four months. We should look into the future as well as consider the present. There are a number of young men of sixteen and seventeen years of age who are coming out of our schools every year and who, for various reasons, are not intending to continue their education beyond the high school. These young men should have a year in camp, during which time they would receive three months' military training, while the other nine months would be given to vocational training of their own selection. Eventually this war will be over, although that day may be some time away. But we will win because of the determination of our people. When that day comes, there will be a tremendous amount of construction work and trained men are going to be required. Many of these men object to going into military camps, but if they knew they were going to receive vocational training I am sure they would go in willingly, realizing that they would learn something that would be of value to them after the war was over. I think the government should give consideration to some such plan to train our young men.

For the ten years before the war these young men were permitted to drift round the country. Not long ago when it was necessary to build a military camp in British Columbia it was found that carpenters, or even men who could handle a hammer and saw, could not be procured. Yet there were plenty of idle men around. I think these things can be corrected, and they should be corrected. Plans should be made now looking to the future. A country like Canada, richly endowed as it is, should be the last place in the world where a man who wants to work should be out of a job.

Mr. S. J. FURNISS (Muskoka-Ontario): Mr. Speaker, at this time in the long debate it is not my intention to indulge in any preliminaries, other than to join heartily in the felicitations which have been so generously extended by the hon. members who have spoken to the mover (Mr. Claxton) and the seconder (Mr. Jutras) of the address in reply to the speech from the throne, as well as to the Prime Minister (Mr. Mackenzie King), and the other ministers of the crown who have spoken in this debate.

May I also say that I am in agreement with the suggestion which has been made so often in this house that free transportation should be provided for our soldiers at Christmas time. I do not think there is any way in which we could better show our appreciation of their services or which would bring more joy to our soldiers and their relatives than by providing them with free transportation to their homes during the Christmas holidays. In connection with transportation there may be difficulties of which we know nothing, but I should like to see the government give every consideration to this suggestion.

Parliament has been called at this time so that the government may lay before members of the house and indirectly the country the record of its war activities since adjournment last August. This has been clearly done by the ministers who are most concerned with war work. It would be expecting the superhuman of any government to have it transform a nation from peacetime work to war-time effort of the present magnitude in so short a time without some possible errors being made. I have no doubt that if the government had to do this work over again, with the knowledge they have gained from experience they would do some things differently. But during all the debate there has not been a single charge of wrongdoing laid against the government. That is a record of which any government might well be proud. It is something which will give the country continued confidence in this government.

Perhaps no other branch of the war service department has done more efficient work than the price control board. According to the last report I saw covering one year of the war, the price of living had gone up only 4·6 per cent, an increase that might well take place in an ordinary year when there was no war incentive to high prices. The work of the price control board has been conspicuous by the absence of the high prices and profiteering which characterized the last war.

I wonder how many members of the house recollect what happened to the price of sugar in the last war. I am reminded of something that the hon. member for Huron North (Mr. Cardiff) said about sugar in his address to the house a few days ago. At page 474 of *Hansard* he is reported to have said:

> I should like to direct a few questions on this point to the government. I do not know the answers, but I should like to know. Did the sugar interests subscribe to their funds?

If exorbitant profits are an indication of where campaign funds come from, then certainly we know exactly where the Conservative party got their campaign funds in the last war. Let me go back to that time. Sugar is a commodity easily controlled between the manufacturer and the wholesaler. When the last war broke out, the price of sugar began to go up and up, and finally the government pegged the price at $12, or a little over, per hundredweight. Then the government undertook to enforce restrictions on the use of sugar. It was doled out in teaspoonfuls, wrapped up in little packages in our hotels and restaurants, and no housewife could get more than twenty-five cents worth at a time even if she had to drive five miles to the nearest grocery store to get it. Sugar was made to appear very scarce. It was delievered to the retailers in half-dozen bag lots.

When the price control was taken off, sugar sky-rocketed to $24 and in some places to $28 per hundred retail. I know of one merchant who bought a carload of sugar at the beginning of the war. As the price increased, he bought small quantities to get a mark-up from his invoice and when he had sold his carload he had netted a profit of $4,000 on one car. Yet, all the time this was going on, sugar was being piled up to the roof in every available warehouse in the city of Toronto, waiting for the price to go higher, and in the meantime the consumer was forced to pay the higher prices and to suffer from lack of sugar.

Thanks to the foresight of this government in appointing the price control board shortly after the beginning of the war, that cannot happen and will not happen while this government is in office.

The other day I listened with a good deal of interest to the hon. member for Lake Centre (Mr. Diefenbaker). These are some

of the statements he made. I shall quote only a sentence or two. At page 226 of *Hansard* he is reported to have said:

Then there is a suspicion—

He does not say there is any evidence.

—that contracts are being awarded in some instances to mushroom companies which have sprung up in recent months, and whose main capital is political fitness.

On the same page he said:

I remember some conditions of 1914-18, but I remember that when there was wrongdoing those who did wrong were punished, under the orders of the then Prime Minister, Sir Robert Borden.

I have some recollections of the war of 1914-18 and I should like to refresh the hon. gentleman's memory. I wonder whether he has any recollection of the fuse contract which the Minister of Militia of that time—not a spurious company, but the Minister of Militia —got from the government. The matter was investigated and it was disclosed that the minister had not a particle of equipment with which to make fuses. He took the contract down to the United States and got the fuses made there, and to obscure his profits from the Canadian people he banked his money in a United States bank. I have no recollection of that gentleman being punished. On the contrary, I think he was knighted for his services during the war.

Mr. ROSS (St. Paul's): Has the hon. gentleman particulars of what he is talking about? He is making quite a charge in the House of Commons.

Mr. FURNISS: I have recollections, just the same as the hon. gentleman has.

Mr. ROSS (St. Paul's): I do not think the house should be satisfied with recollections when the hon. member is making a charge against a former minister in the House of Commons.

Mr. FURNISS: I am giving the house my recollection. I wonder whether the hon. member recollects what happened to pork in the last war. Water was pumped into it to such an extent that the British government refused to accept the pork, and it stood rotting on the docks at Liverpool because they would not accept it. It gave the bacon trade of Canada such a black-eye that it took years for it to recover its former standing.

I wonder whether the hon. gentleman remembers what happened to about twenty tons of chicken in the capital city of his own province, whether the chicken was held in a refrigerator for higher prices until it spoiled and had to be carted to the incinerator for destruction. I do not recollect any punishment being meted out to the wrongdoer in that instance. On the contrary, I know of one gentleman who was knighted for his services during that war.

Mr. QUELCH: He is a Liberal, is he not?

Mr. FURNISS: I do not like talking about these matters, but when hon. gentlemen opposite make such statements I cannot let them pass unchallenged.

Mr. ROSS (St. Paul's): Mr. Speaker, the hon. gentleman has made serious charges and I think he should give particulars to the house so that we can go into the matter.

Mr. SPEAKER: I do not understand that he was making any charges against a member of the house but rather he was going back into ancient history.

Mr. FURNISS: I am not called upon to answer the hon. gentleman's question.

One of the difficulties with which this government has had to deal is foreign exchange. Owing to our heavy purchases of war materials in the United States and our domestic purchases, notwithstanding the restrictions that have been placed on the latter, the value of our dollar has depreciated considerably in the United States market. Everything must be done to prevent a further decline, and, if possible, to bolster up our dollar.

I was not in the house this afternoon when the Minister of Finance (Mr. Ilsley) was speaking, and I do not know what he said. But if further restrictions are to be imposed against imports I have just this to say. I believe that the people of Canada are willing to go any length in self-denial, provided that there is equality in that self-denial and that proper safeguards are thrown out so that any interests which might be protected are not in a position to exploit the common people. More and more, as this war goes on, we see that this continent must become a vast arsenal for the British empire.

The other way in which we might improve our foreign exchange situation is by the acquisition of United States dollars through our tourist trade, and I wish to speak for a few minutes about that. Representing as I do perhaps the most popular tourist district in Ontario—and I do not think the hon. member for Parry Sound (Mr. Slaght) or the hon. member for Victoria, Ontario (Mr. McNevin), whose ridings adjoin mine on the north and east, will think I am extravagant in making that claim—I feel I can speak with some knowledge of the tourist business.

Possibly I should ask the indulgence of the house while I say something about Muskoka.

Muskoka is a district comprising some twenty-two townships lying about one hundred miles north of Toronto and skirting Georgian bay on the eastern shore. It is a land that was at one time covered with as fine a growth of pine timber as could be found anywhere in Canada. That forest has long since disappeared under the lumberman's axe, but a second growth of greater variety and far greater beauty has come up to take its place. From the time the foliage comes out in the spring, all through the summer, and particularly in the early autumn when the frosts have changed it overnight into a blaze of glory, with all the tints ranging from crimson to golden, it is a land of almost indescribable beauty.

Muskoka has three different lake systems on which steamers of excursion size ply back and forth carrying passengers and delivering freight and mail to different resorts along the shores. On one of these lake systems there is the most popular daily cruise anywhere in Ontario. Twelve hours' sail on smooth waters in and out among the islands, into the bays and round the headlands of three lakes, is a day's pleasure that will long remain in the memory of any tourist.

On one occasion when it was my privilege to be on one of these trips I was in conversation with several Americans and I became curious to know how many there were and where they came from. As soon as the boat landed I hurried to the parking ground and counted thirteen cars bearing United States markers, representing seven different states of the American union, two of them from such long distances as Nebraska and Florida. I mention this to show the distances from which tourists come. Speaking of this, I was at one summer resort when there was a convention of the Woman's Missionary Society and there were representatives from forty different countries including Japan and China.

We can get from our bureau of statistics or from the travel bureau some indication of the value of the tourist business to Canada, but to get a more exact idea I asked a banker who transacts most of the business for a number of United States tourists what they were spending, and he told me that one small group from Pittsburgh, comprising twenty families, spent $100,000 annually in Muskoka, or an average of $5,000 per family. Moreover, there were six groups that spent in the lower thousands and others who spent in the hundreds.

The tourist business does not benefit only those who cater to the trade; there is scarcely a person in Canada who does not benefit in some way or another. A year or so ago I listened to an address by the deputy minister of game and fisheries of Ontario and he told us that the tourists who came to Canada every year consumed the beef from 60,000 head of cattle. That is about one-third of the quota we are allowed to send to the United States under the reduced tariff in our trade agreement with that country. Besides that, they consumed in like proportions bacon, butter, milk, eggs and all other farm produce, all of which is bound to benefit the farmer to a great extent.

My object in saying this is to call attention to the decline that has taken place in the tourist business in the past year. I have some figures from the travel bureau showing the number of people who entered Canada from the United States in the months from January to September, 1940 and 1939, and in every month there is a decrease except in February and March. In these months there was an increase of 69,000 in February and 82,000 in March over the same months of last year, this being due probably to the better advertising of winter sports in northern Ontario and Quebec. All other months show a decline, the heaviest being in July, when there were 1,252,173 fewer tourists from the United States than in July, 1939. That was largely due to misunderstanding about the regulations for getting in and out of Canada, but there was a decline of 17·4 per cent throughout the nine months. Some of that was on account of enemy propaganda in the United States.

What I should like to impress upon the government is that every possible means should be used to combat that propaganda. I understand that the travel bureau have in mind an intensified programme of advertising for this summer. They should begin early and continue it throughout the season. While I am speaking of that, I might mention that I had a letter just yesterday from the proprietor of one of the largest hotels in Muskoka, and he was quite sceptical about restrictions that might be placed on oranges and grapefruit and possibly lemons coming from the United States during the tourist season. He said that United States tourists were in the habit of getting these things for breakfast; that a breakfast without them was not a breakfast at all to them, and that if the first meal in the day was spoiled, the whole day was spoiled. I would urge upon the government then to do everything possible to attract tourists to the Dominion of Canada as a means of increasing our supply of United States dollars.

I am now going to refer for a few minutes to the situation of agriculture relative to the other industries of our country. I am going to quote again a few words from the speech

of the hon. member for Huron North (Mr. Cardiff). He said, as reported on page 474 of *Hansard:*

> We never did get a fair deal from any government, least of all from this one. . . .

I believe I am quite safe in saying that this government has done more for agriculture than any other government that has existed since confederation. The deal that any industry gets from a government is the way that industry is affected by the policies of the government. And in my opinion the best judges of any policy are the people.

Let us look for a moment at what has happened in the last ten years in Canada. We had an election in 1930; the Right Hon. Mr. Bennett led the Conservative party in that election, and he promised that he would make the tariffs fight for the farmer just as they fought for the industrialists. The people took him at his word and elected him to office with a substantial majority. He immediately put his high tariff policy into effect, and for the next five years the farmers of Canada suffered from the most restricted markets and lowest prices they had ever had since confederation.

In 1935 we had another election. The present Prime Minister appealed to the country on his agricultural and other policies. The result of the election was that he was returned to office with the largest following that any prime minister in Canada ever had. He concluded trade agreements with the United States and with other nations. After five years he appealed to the country again, and on March 26 last, notwithstanding the roads being in a worse condition than at any election ever held in Canada he was returned to office, again with the largest following a Canadian prime minister ever had. That, I believe, is proof that the policies of the Liberal party are popular policies and that the farmers are not getting from this government the worst deal they ever had.

I do not know whether the hon. member for Huron North is a farmer, but he should know that the agricultural problem is an economic one, or perhaps I might say a problem of organization. The farmer is an unorganized individual living in an organized world. And the higher the degree to which industry and finance—and I include labour—are organized, the more impoverished the farmer becomes. He is like a shorn lamb, and that is why he must have government assistance if possible.

I would not add the weight of another straw to the burden under which the government are labouring. They are working under tremendous strain. But I believe that the function of a member of parliament is to represent his people, and if I fail to let the government know what the people at home are thinking I fail in my duty to my constituents and to the government as well.

I come now to a couple of complaints that come to me from my riding. One relates to the high wages paid on ordinary construction work, and the other to the price of bacon in the new contract. These complaints come to me in the form of letters and resolutions, and from the man on the street. The last time I was home, a couple of weeks ago, I met a man and the first words he said to me were: "You are a member of parliament; can you tell me why the government pays such high wages for ordinary construction work?" I said, "Would you complain if you were a workman?" And I reminded him at the same time that labour had had several lean years. "Well," he said, "I am a taxpayer, and I look at it from the taxpayer's viewpoint."

Some time before that I was at a ploughing match and I came across a group of farmers who were in earnest conversation. I knew some of them and joined the group, and the same question was put to me. They said that men were quitting work on the farm, going where they could earn these high wages, and it was creating a serious labour problem. One man said that they expected to be asked even $70 a month for next summer. Put it at $50 a month, which was the highest wage paid during the last war, when farm produce was double the price it is to-day, and add to that $20 for board, for which the farmer should have credit, and you have still $70 a month. Multiply that by seven or eight for the months of hire, and you have about $500. Divide that by what the farmer will get at the prices at which bacon or hogs are going to sell under the new contract, and you will find that it will take between thirty and thirty-three hogs to pay a man's wages for the summer. If you follow that through, you will find that at the average consumption of grain per one hundred pounds of live hog, it will take six to seven hundred bushels of grain to feed those hogs. I have no objection to good wages being paid if the farmer is in a position to pay them. But there will be few men hired next summer on the farm if wages are at that rate.

I have no fault to find with the price of bacon that the Minister of Agriculture got from the British government. I believe he made the best bargain possible. We must remember that Great Britain is sore pressed. All that stands between us and Hitler is the British navy. Britain's soldiers and sailors

are in the far east, on the Mediterranean, on the Atlantic, and perhaps at many other places that we know nothing about. Britain's financial resources are not inexhaustible. The time may come before this war is over, when we may have to make common cause with Great Britain and help to feed her soldiers and sailors as we are feeding our own. If that time comes, I know that Canada can and will respond. But if industry and finance can enjoy profits and people can enjoy large salaries, then something should be done to see that the farmer gets his just share of the national income. Next summer the farmer and his wife and family will be working harder and for longer hours than any other class of people in Canada. Again I say that he should get a just return for his labour.

There are two ways by which that might be done. The first would be for the government to exercise more of the powers that have been conferred upon it by the National Resources Mobilization Act. That would be a drastic step and I know it would end in the dislocation of industry and the slowing up of our war work. But I cannot conceive of victory coming out of a struggle such as this if the only incentive to battle is monetary gain, whether it be through profits, high salaries or high wages. That should not be the yardstick with which to measure our war effort. Only when every able-bodied man in Canada is either in the army, the navy or the air force, or at work in the factory or the field producing the essentials of war, will it be possible to say that our war effort is at its maximum. It may be that before this war is over, we shall be fortunate if we are well fed, well clothed and comfortably housed, and beyond that looking for nothing but victory. The other step that I might suggest would be further taxation on profits and incomes to reduce the inequality, and the money gained thereby might be used to reimburse agriculture in some measure.

In the meantime the message I would give the farmer, if by any chance it should reach his ears, is that he should carry on. Remember, we are receiving twice as much as we received for our products during the lean years from 1930 to 1935. Even if nothing can be done I would still say, carry on until victory is achieved, and when that time comes we can set about the construction of a more just and equitable order.

In conclusion, Mr. Speaker, I should like to read just a few lines from the *Magazine Digest* for November, 1940. This afternoon I heard the Prime Minister state that the Germans did not understand our mentality. I quite agree that this is the situation with most Germans, but these are the words of one German who does understand it:

> The British nation will be considered the most valuable ally in the world as long as it can be counted upon to show that brutality and tenacity in its government, as well as in the spirit of the broad masses, which enables it to carry through to victory any struggle that it once enters upon, no matter how long such a struggle may last or however great the sacrifice that may be necessary or whatever the means that have to be employed; and all this even though the actual military equipment at hand may be utterly inadequate when compared with that of other nations.

There is just one word in that paragraph that I do not like; that is the word "brutality", but when I tell you, sir, the name of the author of that statement, you will not be surprised at that word being included. At the end of this short article it states that these words were written by Adolf Hitler, and appeared in the original edition of "Mein Kampf". Leaving out the word "brutality", I do not think it would be possible to give a better description of the spirit of the British people; and I do not think we in Canada could do better than to foster and emulate that spirit. It is the spirit that won over the Spanish armada, that won through at Camperdown, at Trafalgar, at the Nile and at the battle of Waterloo; it is the spirit that will win out in this struggle. England has been born again in a welter of sweat and blood. England will live on. There will always be an England.

Mr. MAURICE BOURGET (Lévis) (Translation): Mr. Speaker, rising as I do for the first time in this house, I may be permitted, at the outset, to fulfil a most pleasant duty, in tendering my heartfelt thanks to the men and women of my constituency who have done me the honour of electing me as their representative in the nation's parliament. To the best of my modest ability, I hope to become worthy of their confidence by performing my duties with the utmost sincerity and energy.

I also wish to tender my sincere congratulations to the mover (Mr. Claxton) and seconder (Mr. Jutras) of the address in reply to the speech from the throne for having performed so splendidly on that occasion.

I fully realize, Mr. Speaker, the heavy responsibilities that are mine in these troublous times. In my constituency, at the last election, the electors—and especially the older ones—have recognized the necessity of electing a young representative because, to their mind, it will devolve upon the younger generation to rebuild what is now being laid in ruins and, especially, to find a way of solving the serious problems that will arise after the war.

As a representative of that younger generation in this house, I wish to make a few remarks upon a matter of special concern to the younger Canadians, and one which affects directly our war effort. During this session and even during the last one, quite a few members of this house have brought that matter to the attention of the government. I know that many others, and among them my good friend and colleague the hon. member for Quebec West and South (Mr. Parent) never lose an opportunity to draw it to the attention of the proper authorities. The question I refer to, Mr. Speaker, is the technical training of the youth of Canada. We have heard it stated on all sides that this country's war effort would consist in supplying the empire and our allies with their requirements in foodstuffs and munitions.

Only a few days ago the newspapers carried a statement of Mr. Arthur Greenwood, minister without portfolio in the British war cabinet, to the effect that Canada had been transformed into an industrial country. He added that the supplies provided by Canada had been precious in quality and in quantity. He stated further that North America would soon become an arsenal. I believe all hon. members have likewise read the statement of the British minister of shipping that England was now losing more ships than she could replace. This is probably what led the Minister of National Defence for Naval Affairs (Mr. Macdonald) to declare that we should have to prepare ourselves to build destroyers and cruisers in Canada. Then, the Minister of Munitions and Supply (Mr. Howe) informed us in his able review of the activities of his department that $255,000,000 would be appropriated for the establishment of new war industries.

The necessity and urgency of these industries necessarily brings up the problem of providing skilled workmen. If a lack of skilled labour is already felt, what will it be when all these new industries have been established? It is all very well to have numerous industrial establishments, but they are entirely useless without the trained labour required to operate them. The training of this labour is a question to be considered by the government.

At the risk of being charged with provincialism, Mr. Speaker, I shall very briefly call the government's attention to the situation at present existing in the province of Quebec. That province now has five or six technical schools and a few other establishments called arts and craft schools. According to the information I have been able to gather, these schools cannot fulfill the growing demand on the part of young men eager to follow their courses. Recalling the statement of the Minister of Munitions and Supply that $255,000,000 were to be spent on the creation of new war industries, I wonder if it would not be good policy, especially in the present extraordinary circumstances, to devote part of this money to the construction and equipment of new technical schools. In addition to providing trained labour for our war effort, the government would thus render a valuable social service in providing the youth of Canada with a technical training which they could use to advantage later on.

I particularly wish to call the attention of the Minister of Labour (Mr. McLarty), who is the minister responsible for the administration of the youth training plan, to a question which I have specially at heart, as it directly interests the people of my constituency. In Levis county there are two shipyards where corvettes and mine-sweepers are now being built. According to the statement of the Minister of National Defence for Naval Affairs, they will probably be called upon before long and for many years to come to build destroyers and cruisers. You will readily agree, Mr. Speaker, that the men who are working without respite on the construction of these ships, putting in days of twelve, fourteen and even sixteen hours, cannot continue doing that without endangering their health. In this regard, I wish to congratulate labour in general on their splendid energy and patriotism in working night and day to help achieve the victory which we all so ardently hope for. It will therefore be necessary, perhaps sooner than we expect, to replace these workmen or at least provide them with help in the accomplishment of their arduous task.

If I may be permitted to do so, I should like to offer to the responsible minister a suggestion which I consider applicable to shipbuilding as well as to many other war industries. As the minister said on Thursday last, it is absolutely necessary to provide a supply of skilled labour and to do so quickly. In accordance with the youth training plan, an agreement would first have to be made with those industries that have been given war contracts, so that such industries may employ one young workman for every five or six skilled workers. The selection of these young candidates would be made through a board of examiners that might include one repre-

sentative from the Department of Labour, one from the company or industry concerned, and one skilled workman having some general knowledge of such industry. Mr. Speaker, I fully realize that it would not be advisable to employ all applicants without first ascertaining that they have the requisite intelligence and the necessary fitness for some particular trade. The selection of candidates having been made, the latter might begin to work in the industry concerned in order to gain some practical knowledge, but they should at the same time be required to sign an agreement to attend, two or three evenings a week, a technical school giving theoretical courses directly connected with the occupation assigned to them. After a period to be determined by the authorities, these young apprentices would have to pass an examination so as to prove conclusively that they have the necessary qualifications to hold their positions and be recognized by the examiners as skilled workers in their respective trades. I sincerely believe that if this suggestion were adopted we would have no trouble to find in a very short time all the skilled labour required by our industries. Naturally, these young men should receive during their training a minimum salary which would cover their living expenses, and in certain deserving cases would allow them to contribute to the upkeep of their dependent relatives. I have often met, especially after my election as a member of this house, parents who claim that they cannot afford to pay the expenses incidental to such training, such as transportation, clothing and the like. Payment of such salaries could be shared equally by the federal and provincial governments and by the firm or industry concerned.

I am convinced that there would be objection on the part of the companies. If they objected, the governments could easily overcome the difficulty through a clause in the contracts which would force the companies to contribute their share. I can assure the minister of labour that he would have the willing cooperation of our provincial government, because our newly elected provincial secretary declared recently that the question of technical education in our province would receive the best consideration from the government. I hope that there will be no delay and that thanks to the help of the central government our young people will soon be given the opportunity of enlarging their field of knowledge and of preparing themselves for the struggles of life.

In these few observations, I have given but a very incomplete summary of this most important question which I wanted to bring to the attention of the hon. members of this house. Moreover, if my suggestion were adopted, we would not only further the training of our youth, but we would also make an important contribution to our war effort. I hope that it will receive the best consideration.

I also wish to call the attention of the government to a question that has already been brought up in this house, that of the salaries paid to the clerks and stenographers grade 1 in the civil service. In my opinion the salary paid to those employees is ridiculous, and so is the difference of $30 between the minimums of grade 1 and grade 2. It seems to me that a minimum of $75 would only be fair, and it is hard to understand how they can live on a salary of $60 per month from which taxes are deducted.

(Text) Mr. Speaker, I should like to say just a few words with regard to our war effort. Since the opening of this session we have heard it stated many times that the government should have displayed more activity in the prosecution of Canada's war effort. I think every fair-minded citizen will agree with me when I say that our government has put forth a supreme effort to help our allies by supplying them with men and materials. This fact has often been stated and restated by British officials.

Before concluding my remarks, may I say that I consider it a privilege and an honour to extend my sincere appreciation to the English-speaking members in this house who have paid such fine tribute to the French-Canadians. I can assure them that their heartfelt expressions will long be remembered by my fellow citizens. These members have done more for unity than the unjustified statement which can be read on page 409 of *Hansard*. I quote:

> There is just one other mystery upon which I should like to comment. Who will stand in his place in this house and say that to-day our front line trenches are not on the English channel and along the shores of the Mediterranean? No one even thinks otherwise, but I want to recall a statement that was made in this house not so very long ago, in which we were told that the Canadian parliament would decide to what extent, if any, Canada would participate in this war. I think all hon. members will recall that statement. Then if we turn to page 225 of *Hansard* for this session we find a question which was asked and answered; hon. members can look it up for themselves. And the minister hastened—yes, hastened—in reply to the question asked, to assure some unseen minority, a handful of men, wherever they may be in Canada, men who were once described as those who wanted to run to the bush in the event of an emergency, that notwithstanding anything connected with the extension of the training period they would not have to serve outside of Canada. I have no thought but to condemn anybody who does

not recognize that our front line of trenches is on the English channel and in the Mediterranean. I have no apologies to offer when I make that statement.

Mr. THORSON: Who made that statement?

Mr. BOURGET: The hon. member for Lincoln (Mr. Lockhart). I do not think that represents the opinion of all English-speaking Canadians. If it did, we could not even dream of unity, here in Canada. Similar statements were made during the last war and they resulted in creating disunion and in turning Canadian against Canadian. In times like these when unity is so important, we should refrain from making such statements. It is unnecessary to recall the part which was taken in the building of our beloved country by this unseen minority. This has been proven again and again by others than French-Canadians.

I may assure you, Mr. Speaker, that French Canada is doing its utmost to help the government in the prosecution of its war effort. It may be that the people of that part of Canada have different ideas as to the means to be taken to carry on this war effort, and I think we must admit that this attitude cannot be totally condemned. For example, I think the declaration to-day of the Prime Minister (Mr. Mackenzie King) touching upon conscription goes to show that it is often better to base criticism on the long-range view rather than upon the narrow perspective of the moment. I am sure that no true Canadian will for one minute doubt the loyalty and sincerity of the French-Canadian. When the gods of war shall decree again, as they necessarily must, that the sun of victory will again cast its rays of peace upon the whole British empire, it will then be found that every Canadian from Halifax to Vancouver will proudly and justly maintain that he did his bit to carry on to the successful end.

Mr. V. J. POTTIER (Shelburne-Yarmouth-Clare): Mr. Speaker, I am taking advantage of the first opportunity to congratulate the mover (Mr. Claxton) and the seconder (Mr. Jutras) of the address in reply to the speech from the throne.

During the few minutes at my disposal I intend to bring to the attention of the house a matter which I think might well be given consideration at this time. This is something which I believe is important in view of the serious situation which is facing us at the moment. I refer to the menace which has resulted from the empire's shipping losses. There seems to be no doubt that this situation has reached serious proportions.

We saw in the last war what a menace this might be. A few days ago the Minister of National Defence for Naval Affairs (Mr. Macdonald) related how the building of ships in his department had increased to 155, and he said that before the end of the next fiscal year that number would be increased by another one hundred. I want to congratulate the minister in that regard. But while we are making great strides in our naval shipbuilding programme, there still remains the question of our merchant marine, the question of making up the losses or, shall I say, of helping Britain to make up the losses in merchant shipping that she is suffering at the present time. I believe the time has come when we should have not only a naval shipbuilding programme but a shipbuilding programme for our merchant marine in such proportions that in some measure at least its effect would be felt in this day of world shipping losses.

I said that we are facing a menace in empire shipping. The Prime Minister of Great Britain, speaking in the British House of Commons on November 5, about three weeks ago, said in part:

> The dangers in the air are sudden, but the dangers to our sea-borne traffic mature much more slowly, but they are none the less formidable and if in any way neglected they would touch the life of state. We must expect that next year still heavier U-boat attacks will be made upon us, and we are making immense preparations of all kinds to meet them.

He went on, and this is what I want particularly to draw to the attention of hon. members:

> More serious than the air-raiding has been the recent recrudescence of U-boat sinking in the Atlantic approaches to our island.

That was three weeks ago. Last week Mr. Arthur Greenwood, minister without portfolio in the British government, apparently speaking on behalf of that government, said in a debate in the British House of Commons, I think last Wednesday:

> It is true that we have suffered very heavily. It is true that this is much like April, 1917, but though far worse than it should be, the situation is not as bad as it might have been, but for an actual increase in merchant tonnage built here. We have not quite lived up to our shipbuilding programme, but we are not very far from it and that has made an enormous difference. The shipping we have captured and the shipping transferred to us have gone into the pool; and although our tonnage now is slightly below what it was when the war started, the net loss is not considerable.

He promised that everything would be done to increase home production. He admitted further that the home production of ships was not adequate. He said that Britain

hoped for an increased tonnage from the United States. He outlined the programme of Britain, which was made some time ago when it was planned to produce a gross tonnage of 1,300,000 tons a year. Mr. Greenwood said that they had not been able to reach that production, and he went on to say:

It would be folly to deny that the bombing assaults of recent weeks had damaged essential production in Great Britain.

In other words, not only in the past had Britain been behind in their production but they were getting to the stage where they could not maintain even that, shall I say, backward rate of production. The shipping losses in the last two weeks have averaged some 60,000 tons a week. Taking the figures given as approximate, that Great Britain was producing some 25,000 gross tons a week, we find that she is going backward at the present time to the amount of some two million tons of shipping a year. But even these figures do not show the situation in its true light, because in addition to that loss in tonnage the shipping hauls are becoming longer. Ships used formerly to go to Norway, to the continent, and others would use the Mediterranean route; but now all that is changed and ships have to make longer hauls, so that not only is Britain going behind at the rate of two million tons of shipping a year but the freight hauls are becoming longer. That is the situation as we find it to-day.

But some members may say that we have acquired from seven to eight million tons of shipping from Norway, Denmark, Belgium, the Netherlands and Greece. But the British losses cannot be made up simply by transferring to a pool the continuing traffic supplied by ships from other countries. Moreover, this process of freighters from other countries coming into the pool has practically come to an end. It is not a recurring gain. It is not continuous like a building programme and it does not make up for the losses. That to-day is the all-important question.

Mr. Greenwood, as I said, hinted that Britain had to look elsewhere to make up this deficit, and he referred to the United States. Anyone who gives this matter a moment's thought knows that there are only two places where we can get more tonnage. It has to come, as the Prime Minister said this afternoon, from other parts of the empire or from the United States.

Let me go over for a moment just what can be expected from the United States, and then, if I have time, I shall deal briefly with what we could produce in Canada in the way of wooden ships.

Mr. Hore-Belisha in the debate in the British House of Commons said that Britain can expect only about 300,000 tons of shipping from the United States. I think that was an underestimate; I think it was not reasonable. We can with profit look back to the last war to see just what amount of new tonnage was produced at that time. That is the only guide we have.

In 1917—and remember that the United States came into the war in that year—the United States produced 800,000 tons of new shipping, and in 1918, 2,600,000 tons; in 1919 they produced an all-high of 3,300,000 tons. One must remember that in 1918 and 1919 the United States had been in the war for a certain period and had got into their war stride. They were all-out with regard to their shipbuilding programme.

I do not think we can expect such a production at this time. I think we should rather take their tonnage as approximating the 1917 figure, and in 1917 the United States was in the war for about half a year. Their shipping production increased from 1916 to 1917, and in 1917 they produced 800,000 gross tons. Let us raise that up to 1,000,000 tons, for the sake of argument, and even then we shall still be 1,000,000 gross tons short of making up the annual losses in shipping. Therefore, if we take the United States estimate of production at 1,000,000 tons, it leaves other parts of the British empire the duty to do what they can to repair the sustained losses, to counteract the subtractions that are taking place from time to time. I think the time has come when Canada can well go over its own shipyards to see what its possibilities are and in what way it can help to meet the situation.

Let us see what happened in the last war so far as Canadian shipyards were concerned —because that is the only measure we have to go by. I will give the values in dollars in order to give the house an idea of the expansion that took place in shipbuilding at that time. In 1915 there was a total production in Canadian shipbuilding of $7,000,000. By 1917 this had risen to $35,000,000; in 1918 it was $74,000,000, and in 1919 it was $86,000,000. That represents the possibilities of expansion in Canadian shipbuilding, taking the years from 1915 to 1919.

Perhaps at this time it might be well for us to look over our own shipyards to see exactly what can be done with regard to ships. In 1918 we built 428 vessels with a gross tonnage of 235,000 tons and about the same amount in 1919, besides repairs. At that time we built for the imperial muni-

tions board, forty-one steam merchantships, having a total of 132,000 tons, and forty-six wooden ships having a total of 90,000 tons.

Someone will perhaps ask what the policy of the government was in the last war. What did they do then? That might be a guide to what we should do now. At that time they were faced with the same menace; submarines were threatening British shipping, and the question necessarily came before this house. It came before the house first on May 11, 1917, when it was brought up by the Hon. E. M. Macdonald, member for Pictou at that time, and again on April 4, 1918, it was discussed. The question was then, as it is now: Should we as a government go into a shipbuilding programme and build steel ships or wooden ships or both? Let me read from *Hansard* to show the policy of the government of that day with regard to this matter. I read from page 346 of *Hansard* of 1918 where the statement of the then Minister of Marine is reported:

I brought the matter to their attention, that the time was opportune for Canada to embark upon the building of steel ships as a national, permanent policy.

Some hon. Members: Hear, hear.

Mr. Ballantyne: And, after giving the matter very careful consideration for some months, and working out a comprehensive programme on good, sound, business lines, I brought the proposal before my colleagues in the government, and I am very pleased to state that it was unanimously decided that after the imperial munitions board contracts were completed all the berths in all the shipyards of Canada which are building steel ships would be utilized to the full in building steel vessels for the Canadian government.

That was in regard to steel ships. What about wooden ships? The policy with regard to wooden ships was stated by the same minister, as reported at page 349:

The hon. member for Maisonneuve said something about neutral ships. The Canadian government, of course, are confining their efforts entirely to ships of Canadian registry. We intend to keep our yards busy with Canadian registered ships only—ships for the Canadian government.

A large number of wooden ships have been built by the imperial munitions board for the imperial authorities, but it is not the intention of the Canadian government to have any wooden ships built. I am not prepared to express any opinion for or against wooden ships, except that with the money available for ship building in Canada at the present time, it seemed to the government the wisest policy to invest that money in steel ships only. The wooden shipbuilding yards in different parts of Canada have many opportunities at the present time for building wooden ships. While they cannot build wooden ships under Canadian registry, they have every opportunity of building wooden ships for our allies and for neutral countries, and some of these yards are now working on very large orders for wooden ships for allied and neutral countries.

That was the policy in 1917; that is what happened at that time. They built steel ships only, and as a matter of fact, from that policy developed the famous Canadian merchant marine. In 1919, 1920 and 1921, sixty-three steel merchantships were built.

With that record behind us, I think we can profitably consider at this time what we should do in dealing with one phase of shipbuilding, namely, wooden ships. I am not going to deal with steel ships. Perhaps, before discussing this question further, I should congratulate the government upon the recent appointment of a controller of ship construction and repairs, with wide powers to allocate work and distribute men and machinery. The person named is well qualified, and he comes to his position with experience and ability.

At the present time, in yards for the construction of wooden ships in Canada we have about 5,000 tons of shipbuilding going on, and this, by the way, on the part of private owners, except for such wooden ships as are connected with our naval programme. In my remarks I am discussing merchantships. We have existing facilities for approximately 60,000 gross tons, for the construction of wooden ships. We are using less than ten per cent of our wooden shipbuilding capacity.

As we know, there has been discussed a programme in connection with wooden ships for Britain, and nothing that I shall say must be taken as proposing in any way to interfere with that programme. As I understand, there is nothing definite. There are no wooden ships contracted for and the matter is in an unsettled state. The opinion I urge at all times is that Britain should be given the right of way, and I do not wish my remarks to be construed in any way as interfering with that procedure. The right of way should be given to the old country for whatever ships it requires.

What I am afraid of is that Britain may not decide to build wooden ships, or may decide to build a limited number, and that we shall go back to the policy of 1917 of no wooden ships. We shall be not merely in the same position as at that time but in an immensely worse position, because then we had allies and neutrals for whom we were building wooden ships, as mentioned by the then Minister of Marine. That is what causes me to rise here to-night to make these remarks.

I should be very sorry to see a situation in which we were using perhaps ten per cent of our facilities for wooden shipbuilding,

while at the same time British losses were such that her shipping was going behind at the rate of two million gross tons a year. In my opinion our present facilities should be increased perhaps threefold; we could produce 150 thousand tons of wooden ships a year.

I make this reservation, that whether or not that can be accomplished depends on the importance assigned to wooden shipbuilding in relation to other industries. We have only a limited number of skilled workers in this country; if they are used in the steel shipbuilding industry, the aircraft industry, the munitions industry or any other industry, and if these industries are placed before the wooden shipbuilding industry, then that is going to restrict the production of wooden ships. But if we want to restore the wooden shipbuilding industry as one of the first into which skilled labour should be allowed to go, then we can produce in this country 150,000 tons a year of wooden ships. That is a very important contribution to the empire.

To-day ships have to be replaced at the rate of two million tons a year. With the United States producing one million tons there are still another million tons to come from somewhere, and that somewhere must be Canada and other parts of the empire. The wooden shipbuilding industry in Canada could produce 150,000 tons of that quantity. That is an important factor which must be considered.

I know and I should be frank in telling hon. members that there are some arguments against wooden ships. We who come from constituencies by the sea hear them and have to meet them, and in order that I may give the whole picture let me state those that we hear most often.

They tell us that wooden ships are of limited capacity; that is to say, a wooden cargo ship of 1,000 tons is considered a large wooden ship. They also tell us that wooden ships are limited as to speed; also that the personnel is an important factor, because if we have one ship of 1,000 tons and another of 10,000 tons, the latter like the former requires only one captain. They say, therefore, that we should go in for the larger ships because our personnel is restricted in numbers.

To meet those arguments one by one: as to the fact that the tonnage is limited, I would point out that wooden ships cost less. With regard to speed, we can produce proper models which, with the diesel engines of to-day, will maintain convoy speed, which, after all, is all that has to be considered at this time. As to personnel, I have great difficulty in convincing myself that there is much in that argument. I cannot see ships tied up at the wharves, particularly on the Atlantic coast, because men to take them out are lacking. We have too much of the old seafaring blood in our veins, of the days of wooden ships and iron men. Such a challenge would never fail to be accepted on either the Atlantic or the Pacific coast. We come of a breed of men whose ancestors came here over stormy seas and who have lived by the sea, and when the time comes that we cannot find the men to man our ships the empire will be no more. Therefore I say that argument of lack of personnel is not one to be given any consideration.

We have gone through wooden shipbuilding eras in Canada. It is interesting to note that away back in the eighties we had 1,300,000 tons of wooden ships, over seven thousand vessels, built in the maritime provinces and the province of Quebec. With such a background as I have tried to outline, with the present rate of shipping losses and with the possibilities in regard to wooden shipbuilding that are ours, and with the importance of keeping that life-line of the empire between this country and Britain in being, it means nothing but ships, more ships and still more ships. We must realize that if the time ever comes that this line of ships crossing the north Atlantic is cut off, it means that the empire as we see it is no more. These ships passing back and forth are the pulse of our national war effort. They carry to Britain that which sustains her life and enables her to carry on her war effort. In our wooden shipbuilding industry we have an asset which can help to maintain that life-line. We have a great tradition of shipbuilding; we have the men to man them, the sons of captains who navigated them over the seven seas and made Canadian shipping familiar in every port in the world.

In view of these factors, I suggest that the government consider seriously a wooden shipbuilding programme. I realize, as every hon. member must, that these industries have to be placed in their relative importance. But I assure them that if the time comes that wooden ships are needed, every creek or cove on the Atlantic coast particularly is a potential shipyard. Shipyards will mushroom up over night—they increased from 40 in 1914 to 250 in 1918. That situation can be renewed, and I ask the government to give consideration to making use of that great national facility.

Mr. PIERRE GAUTHIER (Portneuf) (Translation): Mr. Speaker, having followed with deep attention and without prejudice the various speeches delivered during the debate now drawing to a close, I have been able to appreciate, as many others have, the advan-

tages which a democratic assembly affords to its members and the superiority of our parliament over those which are led by dictators whose sole ambition is to impose their personal views without allowing their hearers or their subjects to discuss the questions on their merits in the light of their intelligence and especially of their judgment. Here, every member has the privilege and the right to voice his views freely and to offer any suggestions he may deem conducive to the better administration of the country, whether he be a supporter or an opponent of the government of the day.

If all those who are inclined to look with a kindly eye upon the totalitarian systems could enjoy the freedom which is ours in this house and, especially, if they could witness the restraint and oppression suffered by the members of a parliament submitted to the constant pressure of a Fuehrer or a Duce; if they could undergo the experience of the German people the humblest of whom cannot even tune in on such and such a radio programme without risking imprisonment and even death, as we have recently seen, I have no doubt that their opinion would change and that their views would become more worthy of a human being capable of appreciating at its true value the inestimable privilege of freedom of speech and individual initiative.

The war effort, under whose weight both the democracies and the totalitarian countries are bending, has become so great and its cessation is so problematical that it would be rash for any human being, however gifted, to attempt to determine its outcome or forecast its ending. This country has entered the war at the side of England and France and as a result of the decision of its parliament. It would be pointless, now that we are engaged in it, to bewail the cost of our participation in this conflict which threatens to become world-wide or to voice criticism which would probably neither add to nor detract from the course which the country has taken. My intention is, therefore, like that of the hon. members who have already spoken, to offer suggestions and express views on the various phases of our effort, including the present mobilization plan and its proposed modifications, the nature and degree of our military and industrial cooperation within the British empire, the need of a far-sighted policy as regards Canada and the Canadian people both during the war and the extremely critical after-war period. These are the points which I propose to consider, without, however, being able to deal with them in all their aspects, owing to the little time at my disposal.

During the debate on the mobilization act at the first session of 1940, some of my colleagues had, as I did, suggested that the government first exhaust the number of recruits who had enrolled voluntarily. According to *Hansard* of June 18, 1940, I spoke as follows:

> During the last federal election campaign this conscription act was discussed. I did not ask my electors the plain question: "Are you in favour of conscription for this country?" And if to-night I rise in this house and ask the government not to act too hastily in having this act passed by the house, it is because of my wish to be consistently honest toward my electors and to have the opportunity of asking them their views regarding the imposing of conscription in and for this country.

An hon. member of the house expressed a doubt as to the possibility of satisfactorily consulting my electors in the space of twenty-four or forty-eight hours. The means of communicating with them being well known to me, I felt sure of being able to consult to their entire satisfaction the electors of Portneuf whom I consider just as intelligent outside of election time as on voting day. I was thus able to learn the views of men prominent in politics belonging to both parties and also those of most of the members of the clergy. If I mention this incident, Mr. Speaker, it is not because of any resentment I may hold, but in order to show that, knowing the situation in my constituency and the means of communication at my disposal, I knew whereof I spoke. Nevertheless, later on, I consulted once more the people of my constituency, and this time those who had accomplished their thirty days of training. All expressed satisfaction at the good treatment they had received and the experience they were proud to have acquired. They expressed the opinion, however, that the food, though of excellent quality, was often poorly prepared. All admitted that this situation had been largely remedied following the visit of the Minister of National Defence for Air (Mr. Power), a visit of which they have retained a most favourable recollection.

We have read in the newspapers of last week-end that an important delegation had interviewed the Premier of Quebec regarding the disorder caused among our trainees by illicit liquor selling. The control of the sale of liquor other than contraband resting with the provincial authority, the premier assured the civil and religious authorities that a very close supervision would be exercised in the matter. Several trainees whom I consulted had mentioned this fact, as well as another which, though less devastating perhaps, is artistically no less debasing—the profanity which continues to fall from the lips

of our people. We are inclined to forgive them on the strength of the legend of the last war that swearing was one of the most terrible weapons brought to bear against the German soldiers. It would be sufficient simply to change the words while retaining the tone and expression to obtain the same results without endangering harmony.

Some hon. members have come out categorically against the proposed extension of the training period. I share the opinion of the trainees whom I have consulted that a period of two months would be long enough to inculcate sufficient of the knowledge most useful to a soldier. I have no hesitation to urge the need of being somewhat moderate in the decision to be made, in view of the increasing demand on the part of industry for workers if our real war effort, which is at once the most reasonable and the most urgent, is to fulfill the expectation of our allies in the conflict. A few days before the downfall of France the prime minister and the commander-in-chief of that country launched a request for material rather than for soldiers. Just a few days ago a prominent Englishman made a similar request to the United States and to Canada. Following this experience a decision will undoubtedly soon be arrived at, leaving no doubt as to the necessity of directing all our attention to providing the war industries with all the manpower they need absolutely and in ever increasing numbers.

Furthermore, let us not forget the farmers and the land the full productive capacity of which it is our duty to ensure in order to fulfill the expectations of the belligerent countries. Certain cases should be more frequently taken into account by the reviewing judges—the case, for instance, of the farmer's son whose father needs, on account of advanced age, the services of at least one son to work the farm even in winter; then the case of the young man registered as a farmer's son but whose father died afterwards leaving him in charge of property which he must not allow to depreciate for want of someone to work it.

Incidentally, I wish to thank our doctors for the particular care they have given to the examination of the young men called up for training and to congratulate them on the precious advice they have unsparingly vouchsafed to them and which will prove useful in this new life replete with strange and sometimes dangerous situations. Our army doctors can never be too careful regarding the personal hygiene of our trainees and of all our soldiers during all the days of their life.

There is found among the young men called for training some uneasiness as to the danger, which they consider serious, of losing the positions they held in industry. This danger which is not real when the training period covers only one month could become real were the period to be extended to three or four months. In addition to this, the authorities should also realize that the danger always exists that too long a stay in camp—this has been noted in countries where compulsory military service of a year or more is the rule—tends to make young men lose taste for work on the land or in industry, thus seriously disrupting the economic life of a country and sometimes compelling governments to undertake paternalistic policies or at least policies aiming at almost complete control of all material and human resources with their inevitable consequence of almost total loss of individual initiative.

But, Mr. Speaker, there are some for whom mobilization for the defence of the country is not sufficient. I do not refer to those who have been mobilized but to certain people who believe that Canada's war effort is far from sufficient, that our war industries are not operating with sufficient speed, that our soldiers are not sufficiently equipped for service overseas and above all that parliament should enact compulsory enlistment for service overseas. The appeals of eminent men for war material before all else make no impression upon them; they apparently hanker for more ringing words, for more sensational deeds. Their loyalty, which varies according as the personal and especially the financial interests of their supporters seem to be neglected or insufficiently satisfied, requires something more startling. Could it be the recollection of the bacon of the last war or of the dull though profitable procession of broken-down horses that haunts their minds?

However it may be, they let pass no opportunity to raise their voices—the voices of politicians who have been buried many times already, of politicians who, about to die, utter one last cry, hoping that the echo will carry it so far after their death that they will not be forgotten too soon. There are some among them who, to serve their petty ends and satisfy their dangerous appetites, are not ashamed to make statements the inevitable result of which will be to destroy national unity which genuine statesmen are to-day labouring to preserve. It is unfortunately too true that for certain sharks of the financial world war consists in being comfortably seated in a well-upholstered chair, smoking an expensive imported cigar and fingering the stock-market ticker in order to find out to what

extent the ups and downs of one or the other belligerent will affect their holdings in war industries.

Some hon. MEMBERS: Shame!

Mr. GAUTHIER: What does one human life more or less matter to them, providing their pile increases! The sad part of it is that some of these men manage to acquire a reputation for great patriotism.

Such men are to be found in all countries—in the dictatorships as well as in the democracies. They have made of war a permanent industry. After the massacre of 1914-1918 they rested a little, while disposing from time to time of the products their industries continued to manufacture; we have had the Gran Chaco, the Chinese war, still going on, the Spanish civil war, and after a respite of twenty-five years, a new world war.

An author once wrote:

> The masses are good-natured; they are not curious. When they find that they have been tricked they get angry and want to break everything. A moment later they have forgotten everything and the comedy starts again at their expense.

Should this definition be correct and the people some day cease being good-natured, what would happen?

A country's war effort can be disastrous when one forgets that nations as well as individuals can develop a form of anaemia which renders them incapable of intellectual or manual work. This anaemia declares itself when people are called upon to perform too much work for the food and care they receive. Therefore, in addition to the war effort there should be a conservation effort. Measures should be taken on a permanent basis in view of the years which will follow this effort, when the world will stop for a while to draw breath—those who will still be strong enough to do so—and to repair the losses, if the required materials still exist and especially if there is still in the world sufficient courage to undertake a proper reconstruction.

The Canadian effort, already considerable, will become even greater by force of circumstances. It should continue to be above all rational. Since our allies are asking especially for an industrial effort, it is because that is what they need—what they need more than they need men. I do not think I am wrong in stating that the people of the entire country are willing to give to Great Britain every assistance possible in the way of munitions and instruments of war. Thousands of our young men are already on active service overseas. Those who have remained here have shown their willingness to do all in their power to ensure the defence of the country.

I shall not discuss, Mr. Speaker, the opinion of those who believe that our boundary line is in Europe. I shall simply tell them that as a citizen entitled to his own views I do not share theirs.

We need men for our industries; we have them here, let us use them. We need men to defend the fairest of the lands belonging to the free association of the countries of the empire; we have them, and I am sure they will know how to behave should Canada be attacked. The other day I heard the hon. member for Bellechasse (Mr. Picard) reply to the question of a fellow-member who asked him whether he was opposed to imperialism. This was the hon. member's answer:

> I am opposed to that imperialism which places the empire above Canada. I am for Canada first; I place Canada above all, Canada should play her part in the empire, but we should not lose sight of the interests of Canada.

These words of the hon. member for Bellechasse awakened in me a world of recollections. I thought I was hearing the voice of one of those who were called, scarcely two or three years ago, the group of ten or the dissentients. A good idea always finds supporters in the end.

Mr. PICARD: Mr. Speaker, will the hon. member allow me to make an observation with respect to his last words?

Mr. GAUTHIER: Certainly.

Mr. PICARD: I do not think that in the whole of my speech of November 21 there can be found a single word which could identify me with the position taken in 1937 and 1938 by some hon. members who did not vote for the defence appropriations. The statements which I made and which I shall repeat, my advocacy of the interests of our people which I shall renew whenever necessary, have nothing in common with the attitude taken in 1937 and 1938 by certain persons who did not vote for the armament appropriations. Had I been a member of the House at the time, I should have voted for the budget. In France to-day men are being tried on the charge of not having sufficiently prepared the defence of their country. I say that to my hon. friend, whom I esteem, without the slightest intention to offend him. Had I been here in 1937 I should have voted for the government's budget. I should have approved it and even upheld it.

Mr. GAUTHIER: I do not wish to discuss the hon. member's present or past views and I take the liberty of telling him that I do not intend to labour the point.

If I might be permitted, I would ask the government to pay no heed to the out and

out advocates of conscription. On March 26 last, the people gave a clear cut decision on that question. From the lowliest as well as the wealthiest Canadian citizens comes this unanimous plea: carry out the mandate we have entrusted to you; we are confident that you will fulfil your task unflinchingly.

Forgetting for a moment their great financial problems to indulge, as it were, in some kind of relaxation, those who would like Canada to bleed herself white sometimes raise a clamour against "political patronage." As far as I am concerned, and I am sure many hon. members agree with me, I may say that I am now far from being spoilt as regards the "patronage" I can dispense to my electors. In support of that statement, I wish to quote a few paragraphs from a letter written to us on October 3, 1939, by the late lamented Minister of National Defence, the hon. Norman McLeod Rogers. The second paragraph reads as follows:

If Canada is to contribute her effort most effectively, it is absolutely necessary that we all move forward in a complete unity of spirit and purpose. Partisan or personal preferences can have no place in our plans for prosecuting the war.

The letter then goes on:

This means that political interference or personal influence can have no effect in the appointment to commissions in various arms of the service, promotions and employment of civilian help by this department. It means also that purchases of wartime supplies will be made by the war supply board in the open market in the interest of economy and efficiency. No special consideration can be claimed by any particular firm. It is specifically requested that no favours be asked for with respect to contracts, appointments or employment. To grant such requests on a political or personal basis would impair the national character of our wartime effort.

A second letter was written to us by the three ministers of national defence on August 8, 1940. It said about the same things, but dealt with a much greater number of details. In addition to stating that preference should go to war veterans, a statement with which everyone agrees, that letter contained a paragraph which some officials have taken quite seriously:

It is the duty of the employing officer to select his help from those sent to him through any of the employment agencies mentioned above on the basis of qualifications to do the work. He shall not allow personal letters of recommendation (other than those written by former employers) on behalf of any applicant to influence him in this selection.

I can assure you, Mr. Speaker, that some officials quote that paragraph with an eagerness and a patience that would be most creditable, were those people showing more judgment.

I took the liberty of replying to that letter as follows:

Dear Sir:

I beg to acknowledge receipt of your letter dated August 8th, which is no doubt written for the particular information of members.

I am willing to comply with your request as regards appointments, promotions, transfers, and so on in Canada's armed forces. I do not wish any action of mine to interfere with Canada's tremendous war effort.

Parliament has decided upon that war effort and, while not agreeing fully with its views, I must bow to the will of the majority.

However, I am the elected representative of the people of my constituency, and I cannot refuse to give a letter of recommendation to any elector who wishes to secure work on the various projects carried on in many places by the Department of National Defence, especially when I know that the man needs work. Those whom I recommend are honest and law abiding. I do not think any one of them guilty of any offence under the acts that have been passed.

In my district, most of the work is done in towns and in their close vicinity. I glean for my electors what little work is available for them. I cannot leave them under the impression that I am no longer able to deal with their requests, even in war time.

My letter goes on:

The opponents of the present government protest against political patronage, as they have indeed always done, so as to screen their activities in the various departments of the federal service. My point is sufficiently illustrated by what happens all too frequently in the civil service commission.

It is true that we are at war, but sooner or later peace will come. We shall then be in a position to determine whether our nation's effort has put too heavy a strain on our resources. We shall also be able to see whether priority has always been given to our Canadian fellow-citizens in those services. When the proper time comes, we can easily ascertain the situation and determine the extent of our war effort.

You may rest assured that my remarks are not promoted by the wish to voice any criticism. What makes me uneasy about the future is the fact that I foresee the very serious problems that will confront Canada after the war. I hope you will consider my statement not as a criticism but as a recital of facts.

Yours very truly,

I have had the privilege of an acknowledgment from the Minister of National Defence for Air.

I have therefore continued to give letters of recommendation without any qualms whatever, for, after all, my electors pay taxes like others, they serve just the same as others do. Some of them are even on active service overseas. Whenever they have the chance of earning some extra money and they believe that I can help them to secure employment, I do not wish to disappoint my constituents, and, whatever their political creed may be, I do my utmost, on all occasions, to secure work for them.

Before 1931, the great Valcartier camp was in the constituency of Portneuf, but a redistribution having been made, although that camp was normally a part of the county of Portneuf, by a mere pencil stroke it was detached from it and added to the constituency of Quebec-Montmorency. That is the only war industry in which the people from adjacent parishes may obtain occasional employment. I know that letters of recommendation have been ridiculed and even torn up by some officials. I only ask that this be not done in my presence. I hope, Mr. Speaker, that more judgment will be shown in future. I may add that all too often—I have ascertained the fact during the last few days—some kind of secret patronage system is set up among friends and that some of its most faithful devotees are outspoken supporters of the Conservative party. As I have rightly said, their purpose in raising a clamour is to screen their activities.

Some one was pointing out to me the other day that there was some danger for the people in rural areas if we insisted upon securing work for them in war industries. They might thus be attracted to town occupations and we might be unable to bring them back to the land. I have always held that agriculture is indispensable to us and that we should concentrate all our efforts upon making it successful so that it may become the life work of a larger number of people. But there are also, in my constituency, people who look for work because they need it. Paper factories, which had lately been working at their full capacity seem to curtail their production for the time being, and some people who were working a short time ago are now unemployed. They deserve all my support and I hope that employers in war industries will show them some consideration. I had much pleasure in listening to the speech delivered by the hon. member for Bellechasse, especially when he stated that the province of Quebec had not been given her full share of war contracts. I can tell you that my constituency has not been spoiled in that regard.

Huge plants are now being erected. There are in our province some factories of lesser importance which would certainly have proved useful in the production of many kinds of war supplies. I have taken the liberty of bringing them to the attention of the Minister of Munitions and Supply, and I am now awaiting the result of that action.

A distinguished British statesman has recently said: "We have had the audacity to industrialize Canada." I fully agree with him. I do believe that if Europe is now plunged into a war brought about by economic difficulties, it is to a great extent due to the fact that those continents which formerly imported industrial goods from Europe are today so organized as to be able to compete successfully with countries on the other side of the Atlantic. Since the improvement of machinery has enabled workmen to produce with the same amount of labour ten times more than the farmers, it is unavoidable that manufactured goods should glut the market more rapidly, and whereas trading could formerly be successfully carried on with agricultural nations it has now become ruinous on account of the industrialization of the latter. We are facing a similar threat.

Consequently, we will necessarily be compelled—and now is the time to do some planning in that regard—to concentrate our efforts upon a national programme of land settlement and a back-to-the-land movement. All Canadian provinces have for a long time carried on land settlement, but unfortunately they all too often lacked a definite programme. In a vast country like ours, while we should not rely too much on immigration, which is always dangerous, there is room for millions of people whom we should, more than ever, settle on the land. The opening of new rural communities always ensures new opportunities to skilled workmen and even to professional men. I have read somewhere about a settlement plan prepared by the head of the unemployment relief service in the provincial government of Quebec.

Time will not permit me to describe fully that plan, but I may say that it rightly provides first for such things as the opening of roads by the unemployed, the clearing of land, and its subdivision into lots, the building of houses, and it has two ends in view: lessening of unemployment and placing settlers permanently on the land.

I have taken the trouble to find out in the reports of the different federal and provincial departments the cost of unemployment relief work and direct relief from 1931 to 1940. I have found—my figures may not be quite accurate, but they are not far out—that, for the period mentioned, the province of Quebec alone has paid in relief about $49,000,000. The dominion's share is somewhat more than $44,000,000 and the municipalities have paid nearly $36,500,000. The expenditures have thus reached a total of nearly $130,000,000.

It is quite interesting to note the difference between the amounts spent on unemployment relief and the sums devoted to land settlement, including the back-to-the-land movement. For land settlement, the province and

the dominion have jointly spent about $8,000,000, the dominion's share being about $800,000 and the province's over $7,000,000. Thus, land settlement and the back-to-the-land movement have together cost $120,000,000 less than unemployment relief. And such a thing happened in a country considered as the richest in the world. If we add the sum of about $80,000,000 spent in the same province on relief work, we have a grand total of more than $220,000,000.

I may have seemed to digress in dealing with relief work and settlement, but my purpose was to give an inkling of the situation and to point out a phase of the problem with which we will be confronted when our war industries cease to operate, partly at least, for some of them will remain in existence, since war has become a permanent industry.

In those plants that will have to be closed, instead of making guns, tanks and machine guns, we shall have to build tractors, trucks and giant plows for tilling the Canadian soil, making it produce to its full capacity and continuing to give to our people the impression, which visitors from foreign lands sometimes gather, that after all Canada is God's own country.

Something has been said in this house about the fixing of prices for butter and other farm products. A farmer gave me, from memory, some prices that were prevailing during last war, from 1914 to 1918. To my mind, they show the great difference between the government of that time and the one we have to-day. That farmer told me that during the last war the wholesale price of butter was 75 cents and even more. That is more than twice the present price. And, if I remember well, prices had not been fixed. In 1917, the wholesale price of pork was 25 cents; to-day it is 10 or 11 cents. It has never entered the minds of our farmers to be war profiteers; they are doing nobly and courageously their share in the general effort. But before any fixing of prices, some notice will have to be taken of the prices they pay as consumers, for they are indeed the most important consumers and they are those who have had most to suffer during the last few years.

I wish to congratulate the hon. member for Lévis (Mr. Bourget) on his splendid speech. He has asked that the salary of grade 1 clerks who are under the civil service commission be raised. I agree with him and I hope that his plea will receive the attention it deserves.

During the visit of our sovereigns, the king and queen of Canada, who are now giving to the world an example of courage that must astonish and confound the enemies of the empire, I said that our sovereigns, after their passage in our midst, would have the recollection of a flagless country. There are perhaps many who do not believe as strongly as I do in the need of a national flag. It seems that the present time, when we are endeavouring to unite closely all the energies, activities, hopes and the aspirations of the Canadian nation, is perfectly suitable for the carrying out of the plan which has so often been discussed in this house and which would have deserved a better fate. Every country in the world has its flag, even our sister nations of the British commonwealth. Why should Canada have none? We venerate and respect the Union Jack, but it does not symbolize all that makes up the history of our country. We would gladly see it reproduced on a flag alongside the fleur-de-lis and the maple leaf. What stands in the way of the adopting of a national emblem in Canada? I am quite convinced that all Canadians would hail the presence of their flag of the design that was placed on the flag of the first Canadian contingent during the present war. Parliament and the government should not postpone such a necessary and ineluctable task until a movement arises, sooner or later, within the nation. If there are any who believe that the possession of a distinct flag is an unimportant matter for a country, let them take the trouble to observe what happens elsewhere. Does not the Union Jack call forth the admiration of Englishmen? Are the Americans unmoved by the star spangled banner? Why should the sight of our national flag leave us unconcerned? I believe that the citizens of a nation are stirred by the sight of their national flag as much as by the hearing of their national anthem. I should like all Canadians to raise their voices in demanding the immediate fulfilment of that project, and expressing afterwards their gratitude to those responsible for having given to their fatherland a truly national emblem.

(Text) In conclusion, Mr. Speaker, it is a great pleasure to me to commend the mover (Mr. Claxton) and the seconder (Mr. Jutras) of the address. They had a difficult task to perform, but they mastered it so well that every member of this house, irrespective of his political allegiance, must have found their performance more than satisfactory.

We have been told so many useful and promising things about national unity for many years, and particularly during the last few weeks, that it might seem useless to elaborate upon it. It seems a well established fact. Our unity must not be a make-believe, or smouldering embers only. My belief is

that to achieve real unity, the first essential is that every man living in this country must think of himself as a Canadian living here not in a temporary but a permanent homeland. Our point of view must be, above all, Canadian.

In this war effort some of us say that Canada must do everything, go to the utmost limit of our resources and man-power. We are at war, and we do not know how far it may lead us. Canada's possibilities and the industrial aid she can give to Britain are great owing to the large number of men we can count on to provide her with all the ammunition she will need.

Prominent British leaders call upon the United States and Canada for more aid. Before the defeat of France, Reynaud and Weygand were imploring for more material—not for men, but for material. Britain is also asking for more material. A satisfactory difference exists between this war and the last war. As far as Canada is concerned, the money is spent in Canada in a much larger proportion. This is a real Canadian action.

To fight for Christianity and democratic liberties is all very well, but we must see that after the war Canada has the strength to assure the survival of our democratic liberties, and keep this Canadian spirit of welfare and prosperity.

Then we will need that national unity, unity built up by unceasing efforts to observe and care for the details as well as for the important things. This country of ours has been built upon the basis of self-sacrifice, devotion, and respect of everyone's rights and privileges. That is the only way to build it up. We must go on in the same spirit.

A few minutes ago, I said that we should care for even the details. In many instances important matters have been forgotten. We know that our unceasing efforts to keep the free and official use of our French language must have wearied the protagonists of the "one language, one school" policy, but we know too, and everyone must realize, that this affection and attachment for our language, our religion, our traditions, made us feel that there was no land in the world, no country, no government as good and as just as Canada's, and our affection for and adhesion to these privileges and rights grew broader and went beyond the boundaries of the province, became nation-wide and Canadian through and through. This was the result of our tenacity.

We kept our mother tongue, religion, institutions and traditions. We fought for that and would fight to the end for these same rights; and this tenacity we still possess and make use of for the prosperity and defence of our Canada.

Speaking in French I asked the government and the house to give Canada a national flag. Our history, our aspirations, the present circumstances call for a national flag. Canada has been existing, living, growing for four centuries; still she cannot look with pride to her own national emblem. I believe we have waited long enough. A certain class of Canadians may think this a detail, but it must have some meaning since every nation has a flag of its own.

I should like to hear everyone in this country calling for and urging the government and parliament to give our country the flag we need. A national anthem, a national flag, a completed autonomy, a perfect national unity, and Canada will be a real nation.

On motion of Mr. MacKinnon (Kootenay East) the debate was adjourned.

On motion of Mr. Crerar the house adjourned at 11.05 p.m.

Tuesday, December 3, 1940.

The house met at three o'clock.

NATIONAL DEFENCE

LEAVE TO MEMBERS OF PARLIAMENT ON ACTIVE SERVICE IN CANADA TO ATTEND SESSIONS

On the orders of the day:

Mr. T. C. DOUGLAS (Weyburn): I should like to direct a question to the associate Minister of National Defence (Mr. Power):

1. Has a regulation been issued by the Department of National Defence denying leave to members of parliament on active service in Canada who may desire to attend parliamentary sessions?

2. Would the minister care to tell the house the nature and purpose of any such regulation and if a similar regulation is in operation in Great Britain?

Hon. C. G. POWER (Associate Minister of National Defence): My hon. friend was good enough to give me notice of these questions.

If I may be permitted to speak for the senior service, there are no members of parliament in the navy. With respect to the air force, an order has been issued—not a regulation—to the effect that no special leave will be granted to members of parliament which will take them away from their train-

ing. It is however possible on request that members of parliament may obtain from two to four days for the purpose of attending parliament should that be necessary.

With regard to the army, there is an order, issued on January 23, addressed "To district officers commanding, all military districts":

Members of parliament and provincial legislatures appointed to active service units.
Leave of absence.

I am to inform you that such members of the federal parliament and provincial legislatures as may have been enrolled in units called out for active service, will be permitted, so long as their units remain in Canada, if they so desire, to attend the sessions and be granted leave of absence without pay and allowances for the periods of such absence.

To sum up: With respect to the navy, at the moment no members of parliament are in the service. With respect to the air force, no special leave is granted to attend the sessions of parliament. With respect to the army, there is an old regulation to the effect that if they do attend the sessions of parliament they will do so without obtaining pay and allowance.

As regards the rest of the question, I am not familiar with the practice that obtains in Great Britain.

BUSINESS OF THE HOUSE

PROCEEDING TO ORDER FOR RESUMING DEBATE ON ADDRESS

Right Hon. W. L. MACKENZIE KING (Prime Minister): It was understood yesterday that we would not to-day resume the debate on the motion of the Minister of Finance (Mr. Ilsley) but would proceed with the special order and continue the debate on the address. If therefore the house is agreeable I shall ask that we proceed to that order.

GOVERNOR GENERAL'S SPEECH

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The house resumed from Monday, December 2, consideration of the motion of Mr. Brooke Claxton for an address to His Excellency the Governor General in reply to his speech at the opening of the session, and the amendment thereto of Mr. Hanson (York-Sunbury) and the amendment to the amendment of Mr. Blackmore.

Hon. R. B. HANSON (Leader of the Opposition): I desire to detain the house for a brief period of time in order that I may sum up my impressions with respect to this protracted debate.

The debate proper started three weeks ago to-day, and we have listened to progress reports from eight ministers of the crown. I had almost expected a ninth, because we were hoping to hear from the Minister of Pensions (Mr. Mackenzie) all last week. I think perhaps some word is due from him with respect to what is proposed to be done for men who went overseas with the Canadian active service force or those who did not go overseas and have now been discharged from the army. I understand they number about 15,000, and men are being let out every day. They do constitute a real problem for Canada, for the government and for the communities in which they live. It would appear to me that a statement should be made by the Minister of Pensions and National Health as to the government policy. I understand that a policy has been laid down and is crystallized in a lengthy order in council, which I have endeavoured to study but which I think is not clearly understood by the country. Therefore if a convenient time could be arranged for a statement from the Minister of Pensions and National Health in this regard I think it would be of some importance.

Mr. MACKENZIE KING: Will my hon. friend allow me to say that the Minister of Pensions and National Health has unfortunately suffered from an attack of flu during the past week and for that reason was prevented from being in the house. He was here yesterday and hoped to be able to speak. When he found he was not in shape for speaking he so informed me and intimated that he would speak to-day. I received word from the minister this morning that he did not think it would be possible for him to be in the house this afternoon. He hopes however to be able to make a statement before the week is out. If he himself is unable to do so, a statement will be made by one of the other ministers covering the subject raised.

Mr. HANSON (York-Sunbury): I quite appreciate that, and that will be satisfactory—

Mr. SPEAKER: Order. I think the hon. leader of the opposition will appreciate what I am going to say. We have now before us a motion, an amendment and a subamendment. The leader of the opposition has already spoken on the main motion and moved his amendment. Citation No. 410 of Beauchesne reads:

Amendments to the address are moved by way of additions thereto. A general debate may take place on the address, but when an amendment is proposed the discussion should be strictly confined to the subject matter of the amendment.

I take it from the remarks the leader of the opposition has already made that he proposes to discuss the main motion and whatever may have subsequently come before the

house, but according to the citation I have quoted it is not in order at the present stage of the debate to discuss other than the terms of the subamendment. If I permit the leader of the opposition to engage in a general discussion in regard to all that has taken place I shall have to permit other hon. members of the house to do so, which would be contrary to the rules. Any other hon. member could take the same position and again discuss the main motion. I therefore desire to call the attention of the leader of the opposition to the rule and to point out that so far as relevancy is concerned any remarks at the present stage should be addressed solely to the subamendment.

Mr. HANSON (York-Sunbury): Of course that was my intention, and my interpretation of the subamendment is that it is of very wide character and will allow very wide latitude.

I am glad to have the Prime Minister's undertaking that a statement will be made in connection with the important matter to which I have alluded.

The subamendment to which Mr. Speaker has so properly called my attention is so wide in its scope, having to do with the financing of the war and the general attitude thereto, that I am fully conscious that I am within my right in discussing what contributions have been made to the debate by ministers on previous occasions, and my remarks will largely be confined thereto.

Speaking in this debate prior to the moving of the subamendment I asked the government to give to the people of Canada a clear, truthful, factual and honest statement, free from propaganda and partisanship, so that we might examine it and know the nature and extent of Canada's war effort. I am asking myself to-day, and I ask hon. members of this house who have listened to those reports in the intervening days, how far they measure up to the requirements, judged by the standard to which I have alluded. I am bound to say that I personally listened to them with mixed feelings, and, may I say, with a sense of frustration and futility. And I am of opinion that this feeling must have been present in the minds of a large number of supporters of the government who have taken part in this debate, because we have listened from time to time to private members in this house supporting the administration who have given evidence not only of their desire to assist the government in its war effort, but of the absolute lack of facility and opportunity to make a contribution.

Many of the statements made by the ministers were factual; many were not. In my view there was less evidence of propaganda intended to bolster up the government's position than in the statements to which we listened in the month of July last. For that I am truly grateful.

But still there is discernible most subtle evidence of propaganda, and that I believe is the effect on the mind of the public. There was throughout, with the possible exception of one address, a total failure to adopt and promote a more realistic attitude towards the war. May I at this juncture—

Mr. POULIOT: Would the hon. gentleman be kind enough to define what he means by "a more realistic attitude towards the war"?

Mr. HANSON (York-Sunbury): I am afraid I could not explain it to the hon. member, and I do not think I shall take the time of the house to make the attempt.

May I at this juncture refer to an address delivered last night in the city of Toronto by the premier of Ontario, in which he made a plea for a more realistic war attitude on the part of this government, and in which he turned his guns on a tight little group turning out propaganda in Ottawa. In that address he referred to the fact that Canadians have been told by the press agents of the government that an all-Canadian squadron flying all-Canadian Spitfires was organized and fighting in England. He went on to say:

> Not one of these pilots had been trained as Canadian flyers. Many of them went over there after we turned down the empire training scheme. They paid their way over or worked their way over and were trained by the Royal Air Force.

It is to this type of propaganda that we have to read or listen to that I take objection. It is not factual.

May I here pause to remind the house and the country that on September 4 last the Minister of National Defence (Mr. Ralston) in opening the campaign for the second war loan, referred with great pride to the fact that a squadron of flyers on the other side had flown Hurricane planes made in Canada by Canadian working men in Canadian factories. To me that was an astonishing statement, because I had not understood that anything of the sort had been attempted in Canada. I had been following this question of aeroplane construction in Canada for some months and I knew that the most we could claim was that these Hurricanes had been assembled in Canada, but that the major parts had been made elsewhere. Now it is that kind of propaganda that in my view is calculated to lull the Canadian people into a false sense of security as to our war effort. And I leave with members of this house and with the country the thought that we should

not be fed with statements of that kind, which are not factual and are not based on the naked truth.

I believe the lack of realism on the part of the government's war effort was in a measure corrected yesterday when the Minister of Finance (Mr. Ilsley) brought down his first budget of the session. A careful perusal of his remarks and of the resolutions which he proposed, portions of which in my view were long overdue, will bring to the Canadian people a realization of what I have long visualized as necessary.

It will be recalled that as long ago as last July, after the fall of France, I called upon the Prime Minister (Mr. Mackenzie King) to declare a state of national emergency in Canada. My theory then was that we would have to shock the Canadian people into a realization of the seriousness of the situation. What did we get? We got the national registration, and we got the mobilization act. The first measure has been used as a basis for the improvised thirty-day training scheme. But has it been used in connection with the mobilization of labour? Has it been used in connection with the mobilization of the material assets of this country? If so I suggest to you, Mr. Speaker, that there is absolutely no evidence of any such use having been made of it. And with respect to the thirty-day training plan and the mobilization act itself, was that anything more than an improvisation to ward off attacks on the government? Was it more than a half-way measure, the importance and value of which only time will tell? I suggest that it was only this.

I shall not pursue at this time the theme of yesterday's budget, except to say that in my view the government has announced some measures which should have been put into effect some time ago. In some respects it has not gone far enough, and I submit that there are serious omissions. Our exchange position is serious, I think much more serious than the Minister of Finance intimated to the country yesterday, and perhaps he was wise in not telling the whole story. He must have information that is denied to me, but I do say to the house and to the country that I have sufficient information at my command to lead me to think that the situation is serious, and that if we are to maintain anything like the present equilibrium we shall have to go far beyond the $60,000,000 or $70,000,000 which was indicated as the objective of yesterday's budget.

May I now attempt a brief review of the statements made by the various ministers, dealing first with that of the Prime Minister.

In his prepared speech delivered on November 12, instead of giving the Canadian people factual information as to a concerted war effort the Prime Minister took an hour and a half to tell the Canadian people his views on the international situation as it had developed in the last few months. It was all very interesting, but I submit that it was not what the Canadian people were looking for. They are intelligent; they know for themselves what is the international situation. We did not expect the Prime Minister to deliver a review of the recent history of European developments or international developments; rather were we asking for a factual statement in a concrete way as to what he and his government were doing to help win the war. Because of that many of us were disappointed; and after reading newspaper comment from one end of the country to the other I believe the Canadian people were disappointed.

In my view, however, there was one outstanding omission from the Prime Minister's review of international affairs, having regard to the declarations contained in the speech from the throne and subsequent declarations. I ask him now: What, if any, are the commitments of this country to the United States *qua* Ogdensburg?

Mr. MACKENZIE KING: None.

Mr HANSON (York-Sunbury): All right; that is a very good answer. There are no commitments, and I am perfectly satisfied with that. But if there were commitments we ought to be told what they are. In the course of his remarks the Prime Minister took to himself great credit—and I do not deny it to him—for having built up a spirit of friendship with the United States.

Some hon. MEMBERS: Hear, hear.

Mr. HANSON (York-Sunbury): Well, Mr. Speaker, he is entitled to that; I do not for a moment deny it. I will go further and say that it is of the very greatest importance at this time, and I said so at Toronto. I said at Toronto that the Ogdensburg conversations were capable of a great and noble purpose, and I have never said anything that would contravene that statement. We have no commitments; that is the statement made to-day. Well, I am not for a moment questioning the Prime Minister's word, but I am rather curious. I should like to bring to the attention of this house and of the country the fact that the Prime Minister's coadjutor—that may not be the proper word—his confidential secretary, the talented Mr. Brockington, recently made a speech before the American Bar Association at Philadelphia.

An hon. MEMBER: Good speech.

Mr. HANSON (York-Sunbury): It was a grand speech; I wish I could make so eloquent a speech. As a pure piece of eloquence it was in a class by itself, and I told him so. But during the course of that speech he made a statement—whether it grew out of the exuberance of the occasion or whether the walnuts and the wine were too much for him I do not know—in which he referred to a "pact" between this country and the United States. Now that I have the Prime Minister's statement that there are no commitments I am concluding that Mr. Brockington had dined too well.

Mr. MACKENZIE KING: Well, Mr. Speaker, knowing Mr. Brockington as I do I think my hon. friend ought immediately to withdraw that remark.

Mr. HANSON (York-Sunbury): Then may I put it this way—

Mr. MACKENZIE KING: And I believe my hon. friend will be prepared to withdraw it, knowing Mr. Brockington as well as he does.

Mr. HANSON (York-Sunbury): I have Mr. Brockington's letter. I am not going to read it to the house, but in it Mr. Brockington told me he was not authorized to make the statement. But he was very close to the Prime Minister, and I wondered why he made it if there were no basis for it.

Mr. MACKENZIE KING: Anyone who is close to me is not, I trust, deprived of his right to say what he wishes or to draw inferences of his own, and I must not be held responsible for every word that is uttered by those who may be close to me.

Mr. HANSON (York-Sunbury): I agree with what the Prime Minister says, and Mr. Brockington was speaking on his own. If it is too strong a statement to say that he had dined too well, I cheerfully withdraw it; but that statement was made by Mr. Brockington; it received wide publicity both here and in the United States, and the general public concluded that there was a pact. Now the Prime Minister's statement to-day washes that all out, and I am content to leave the matter where it is.

Then may I ask the Prime Minister one further question in this regard. Has any report been made by the joint committee?

Mr. MACKENZIE KING: Yes; several.

Mr. HANSON (York-Sunbury): Several reports have been made. Are we to be provided with copies of those reports, or are they considered to be confidential?

Mr. MACKENZIE KING: As my hon. friend knows, those reports relate to matters which affect the security of this continent. They could not be made public without the consent of the government of the United States as well as the consent of our own government. Speaking for Canada I would say that as they relate to the defence of Canada and disclose information which would be of service to the enemy, they will not be made public.

Mr. HANSON (York-Sunbury): Very well. I find no fault with that attitude. I simply sought to know the facts: had a report been made. Now we are apprised of the fact that several reports have been made, and we can well leave the matter there.

The second minister to address the house was the Minister of Agriculture (Mr. Gardiner). I may say I listened with interest to his story of his trip to England, to his report on the arrangements he had made for the purchase by Great Britain of bacon and other supplies, and to his prognostications on wheat. Later on I had the good fortune to listen to his radio address and his observations with regard to skilled labour in Canada, and the necessity for training men for warfare as opposed to training men for essential industry. That is a matter with which I shall deal later.

I have just this to say with respect to the bacon agreement. Three times I have asked to have this agreement tabled. Twice we have been put off. No one is competent to speak with respect to this agreement unless he has seen it, read it and digested it. I cannot do so, for that reason. But it seems to me that two or three facts emerge. First of all, England is to take larger quantities at lower prices. There are to be smaller Wiltshire sides and more pigs for less money. Is that a fair deduction?

Mr. GARDINER: No, not quite.

Mr. HANSON (York-Sunbury): I should like to refer to the effect the agreement has had on the bacon producers of eastern Canada. The question of mill feeds is of major importance to them in their bacon production. I have been told, and we all know it is a fact, that mill feeds have increased in price steadily during the past few months. The reason assigned is greater demand for mill feeds in the United States. Well, Mr. Speaker, I contend that the price of mill feeds has gone so high, having regard to transportation costs, that in eastern Canada our bacon producers cannot afford to buy mill feeds to finish their hogs.

An hon. MEMBER: How do you know?

Mr. HANSON (York-Sunbury): How do I know?—because I keep in touch with the people in that industry, and I get my information from sources similar to those from which the hon. member could get it, if he were to put his ear to the ground, or were to make intelligent inquiries. I am told in my province that with the price of mill feeds as high as it is to-day they cannot produce bacon for the price offered.

I am not suggesting that England should offer a higher price. That is their business. But I do suggest to the government that because the farmer in eastern Canada cannot produce at the present cost of mill feeds, something should be done for him. I understand that recently an order has gone out pegging the price of mill feeds. Well, better late than never; but I say it should have been done before. Our millers are not now suffering from the processing tax.

Nevertheless I am among those who do not think that we should exact the last cent from Britain. I do not think that Canada as a nation should become rich at the expense of our distressed brethren across the seas. On the contrary I say we should not haggle with England over prices of foodstuffs—and bacon is fourth in their list of necessities. Because of the other conditions to which I have referred, the farmer is producing below the cost of production. And I do suggest to the government that something ought to be done to assist the bacon farmers in this country. Just what the measure of that assistance should be I am not in a position to advise. I am not a technical agriculturist, and the Minister of Agriculture is. But I invite him to give consideration to the plight of the bacon producers in eastern Canada, with a view to seeing at least that they may get back a new dollar for an old one.

I am bound to tell this house that from information which I have from the other side of the water there is a feeling in England that Canada is seeking to make money out of the war.

Mr. MACKENZIE KING: Nonsense.

Mr. HANSON (York-Sunbury): I am bound to tell my right hon. friend there is that feeling in England, and we should at once endeavour to dissipate it.

Mr. MACKENZIE KING: That feeling certainly is not entertained by the government in England.

Mr. HANSON (York-Sunbury): The government in England would never say anything. The government of the United Kingdom would never say anything—

Mr. MACKENZIE KING: Or the people of England.

Mr. HANSON (York-Sunbury): —that would be offensive to the people of Canada. The people in England are thankful for all that is being done, and they will continue to be thankful for all that is being done. But there is that feeling in England.

An hon. MEMBER: How do you know?

Mr. HANSON (York-Sunbury): It has reached me; and it is none of your business how I know. I am not here for cross-examination.

Mr. SPEAKER: Order.

Mr. HANSON (York-Sunbury): I say there is a feeling on the other side that Canada is seeking to make money out of the war, and we should do our utmost—

Mr. MACKENZIE KING: I suggest my hon. friend should give the house some idea as to the source of information of that kind. We can value it only by its source.

Mr. HANSON (York-Sunbury): May I answer the Prime Minister by asking him a question. Is there any food commodity that we are shipping to Great Britain at the present time for which we are not exacting the market price?

An hon. MEMBER: What about potatoes?

Mr. HANSON (York-Sunbury): Potatoes? Well, my hon. friend from Victoria-Carleton (Mr. Hatfield) bombarded the minister when he was in England to sell New Brunswick potatoes, but he never got an answer to his cable.

Mr. GARDINER: That is not correct. He did get an answer to his cable.

Mr. HANSON (York-Sunbury): Well, he had not at the time I spoke to him. I will say this: the Minister of Agriculture did not sell any potatoes over there.

Mr. GARDINER: No,—and because there was a million bushels more in Great Britain than they could eat.

Mr. HANSON (York-Sunbury): I suggest we ought to do something to dissipate in England the feeling to which I have alluded, on the assumption that it exists.

I should like to refer only briefly to what the Minister of Agriculture had to say about wheat. He made a prophecy, and it was highly optimistic. I have seen certain reviews from western Canada with respect to that prophecy. There was one statement made by the premier of Manitoba. There is a review issued by the Sanford Evans statistical bureau, and also reviews from other well-informed

sources. I had intended to go into those reviews at greater length, but I shall content myself by referring only to the Sanford Evans statistical service, in which the minister's proposals and prophecies are analysed. All I can say is that it is based on the assumption that we shall consume more in Canada than we ever consumed in any single year of our history, that England will take more wheat than she ever took in any single year of her history, and that continental Europe, which is now overrun by the nazis, will in the days to come, and with the five-year plan, take more wheat than they have ever taken before.

The whole wheat speech of the Minister of Agriculture is part and parcel of the policy of the government to soothe the people of Canada, and especially the people of western Canada, into a false sense of security concerning the future of wheat in Canada.

I should like to refer briefly to the minister's broadcast on Sunday night, November 17. I enjoyed that broadcast. I pay him the compliment of saying that I have reread it. With a large portion of it I am entirely in agreement. It sounded a high note. Near the end of his speceh he said this:

> I think it would be wise to stop much of this talk against military training for men who are making planes, munitions, arms and ships.

And further on he stated:

> Factory managers who contend they cannot produce to capacity without interfering with the training of their men may have to be told by someone . . . that they . . . are not good enough for war time.

That was a threat to industry in Canada. I want to contrast that statement with a statement made during this debate, on Friday, November 15, by the Minister of National Defence, when he said:

> I have said it before, and I say it again, that under present conditions it is essential to the completion of equipment and the completion of training of those large numbers of men we now have in the Canadian army, that the needs of war industry for man-power be not interfered with.

Here we have two members of the same cabinet, speaking in the same week from the same benches.

Mr. GARDINER: And saying the same thing.

Mr. HANSON (York-Sunbury): Two members of the government saying things diametrically opposed to each other. It would not be so bad if this matter were not so important. The Minister of Agriculture interjects a remark in an attempt to make satire out of it. I ask this question: who is right?

Some hon. MEMBERS: Both.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): They cannot both be right because the statements are incompatible. I want to suggest that industry in Canada does not think that the Minister of Agriculture is right. Who is right? The Minister of National Defence, who knows the situation with respect to the training of man-power and the necessity for proper equipment, or the Minister of National War Services, who seems to know all things about everything?

Mr. GARDINER: I should like to call the attention of the hon. gentleman to the fact that he added the word "their" to my statement. That word does not appear in the printed statement or in my speech of Sunday night.

Mr. HANSON (York-Sunbury): I thought it was checked, but I shall have it rechecked. I am prepared to take my secretary's transcript at the moment rather than the minister's word, but if it is not there I am ready to do him full justice.

Mr. LAPOINTE (Quebec East): The rules say otherwise.

Mr. GARDINER: That word makes all the difference in the world.

Mr. HANSON (York-Sunbury): The Minister of National War Services made a direct attack on Canadian industry based on the isolated case of one company which did not refuse to cooperate, but which objected to having their young men trained at this time when they were needed in a key war industry.

Mr. GARDINER: I rise to a question of privilege. I am sure the leader of the opposition (Mr. Hanson) does not want to misquote me. I should like to say that I did not make the statement on Sunday night on the basis of anything having to do with one manufacturer. The facts as I know them with regard to that one manufacturer were not in my hands on Sunday night; I received them on Monday and Tuesday and later.

Mr. HANSON (York-Sunbury): It is immaterial. The fact is that the minister did make the statement, and thereby made a direct attack upon Canadian industry based on one isolated case. I say to you, Mr. Speaker, to the house and to the country that this is a most unfair position for the minister to take in connection with Canadian industry. I recall distinctly and clearly at the time of the outbreak of the war that Canadian industry came to this government and offered to cooperate to the full extent of its resources. I make the further statement that the government was slow in indicating a willingness to

accept this cooperation, but industry in Canada has loyally assumed the great tasks imposed upon it by the circumstances which have arisen, and is fulfilling those tasks with the utmost efficiency. Industry has been told that it must not and cannot make big profits, and it is an astonishing thing that Canadian industry should have been subjected to an attack by the Minister of National War Services.

I suggest to you, Mr. Speaker, and to the members of this house, that these diametrically opposed positions indicate that the government went about the business of making war without having anything like a comprehensive plan of cooperation. It is because there is no such plan that there is no real coordination, that ministers like the Minister of National War Services adopt one attitude and the Minister of National Defence adopts another.

May I turn briefly to the statement of the Minister of National Defence. We are all delighted to know that he has arrived safely in England, and I look forward with a great deal of confidence to his return with a coordinated plan, the result of the interchange of views with the British war ministry. I am sure that as a result of his visit there will be coordination between Canada's and Britain's war efforts. I know the Minister of National Defence and I feel quite sure that he would not go over there unless he wanted to know and do what was best in the common effort.

I listened to the minister's report with a great deal of interest. To a large degree it was factual, but it left many things to be desired.

May I pause here to say something which perhaps I should have said on November 12. It will be recalled that in his speech before the Canadian club at Ottawa Major-General Crerar indicated that the period of training was limited to thirty days because, for one reason, and aside altogether from the question of lack of equipment, it was desired to inculcate a sense of national obligation into a part of our young nationals. That was probably true to a degree in some parts of Canada, but not in every part. Our young men had a sense of national obligation in a very large measure, but they found that there was no outlet for that sense of national obligation. That theory was borne out by the announcement of a change of policy by the Minister of National Defence for Air. During this very debate he stated that hereafter the department over which he had the honour to preside would go out looking for airmen, rather than having airmen come looking for them. I thought that was all to the good, and I applauded that change in policy.

I believe there is no lack of a sense of national obligation on the part of our young nationals. But if there be, and Major-General Crerar certainly appeared to be the spokesman of the government on that occasion, why should there be? I put this question to the house: why should there be a lack of a sense of national obligation on the part of our young nationals in many parts of Canada? Is it that they have not been properly taught during the last twenty-five years to have a sense of obligation? I do not know. I am asking the question. I am wondering if it is because of bad leadership or false leadership in the past.

An hon. MEMBER: In the past is right.

Mr. HANSON (York-Sunbury): I certainly have nothing to retract for 1917, but there ought to be some retraction by somebody in connection with what took place between 1919 and 1940. While the Minister of National Defence did not say so in express terms, I gathered, and I hope I am right, that he made the promise to this house and to the country that the thirty-day training plan would be extended to four months. Now, that is exactly in accordance with what I advocated from my place in this house, and if it be so, it is worth while. I am not going to thresh over the old straw. I suggested then that thirty days' training was insufficient, that four months would be better; and if the minister comes to that point of view I am grateful, and I think that all of us who have thought about this ought to be grateful for the change in the plan.

Then the minister told us that hereafter promotions to commissions would come from within the ranks. That would appear to me to be a change of policy, but a good change so far as it goes. As long ago as the 8th of August there was issued from the three Departments of National Defence and signed by the three ministers a letter, or a publication—whatever you have a mind to call it—headed "Canada's War Effort". It deals with appointments, promotions, transfers, and so forth, in the armed forces; government works and undertakings, and government works being carried out by contractors. In the first part, part A, appointments, promotions and transfers in the armed forces, it is indicated that the Minister of National Defence thought that appointments, promotions, transfers, and so forth, in the armed forces should be guided by the general army orders then in effect; and he asked members of parliament not to recommend young enthusiastic men for commissions. I have no doubt that every hon. member, from

whatever part of the country, has been pressed from time to time to advance the name of somebody for a commission in Canada's armed forces, and I have no doubt that most if not all have yielded to the persuasions which were brought to bear upon them.

Some hon. MEMBERS: No.

Mr. HANSON (York-Sunbury): It may be, of course, that there are exceptions, but it is a pretty strict member of parliament who will say to the son of his friend, "No, I won't recommend you for a commission." It is human nature to do it, and I think that down in our hearts we shall all admit that most of us have done it. I have done it with the utmost good-will where I thought the young man was deserving; and because I have done that thing, I am taking the onus on myself, and other hon. members can take it on themselves if they will. Because that was the state of affairs I welcomed the issue of this circular letter. In a measure I was sorry it had not been issued before.

Mr. POWER: May I point out to my hon. friend that the section he mentions had been issued in November, and the particular regulation to which he refers—routine order No. 70—had been in existence, so far as I know, since long before the war.

Mr. HANSON (York-Sunbury): Routine order No. 70 was, of course, in existence, but may I suggest to the hon. gentleman that so far as most of us were concerned it was more observed in the breach than in the performance. This was a perfectly proper circular letter, it must have been issued for a reason, and the reason must have been the pressure which was being brought to bear upon the minister.

Mr. POWER: It was simply a reiteration of what had already been issued by the late Mr. Rogers.

Mr. HANSON (York-Sunbury): It is a reiteration, but the statement itself indicates that it was desirable to avoid political or personal favouritism in the conduct of the war activities, and therefore it was issued at this time, and I am bound to say that it was the first time the matter had come to my attention, because I was not here in October of the previous year. But I am commending the minister for it, not criticizing him for it.

I am not going into the other parts of the circular, except to say that I thought it would be a grand thing if the government would put into force, in every department connected with the war, the policy there enunciated. I made that known to the Prime Minister, and I regret to say that I did not get the response I thought I would get.

[Mr. R. B. Hanson.]

Mr. MACKENZIE KING: What statement is that? My hon. friend wrote me a letter making certain general charges. I asked him if he would make them specific.

Mr. HANSON (York-Sunbury): I made no charges. I suggested that this circular was a grand thing and that the policy therein enunciated ought to be carried out throughout the various departments of the government. The Prime Minister wrote back and said that if I would give him specific instances of wrongdoing he would have them investigated. Well, life is too short. Whatever I have had of a major character in respect of wrongdoing in connection with government contracts, and the cases have not been many, I have gone to the Minister of National Defence for Air. Recently I told him the story in one specific case, and I am not going to refer to it further. But if that is not cooperation with the government and with the minister I should like to know what it is. I am sure the minister will bear me out.

Mr. POWER: The hon. gentleman told me the story, but I knew it.

Mr. HANSON (York-Sunbury): Of course the minister knew it. I found that out when I saw him, but I want to know if the action I took at that time was not the correct action to take.

Mr. POWER: Quite.

Mr. HANSON (York-Sunbury): I want to say to the membership of this house that I have no use for scandal, and I do not want to be mixed up in it. I am not a detective for anybody. But I am being flooded with letters in that regard, and when I find something which I think is of importance I intend to go with it to the appropriate minister. If it were peace time perhaps my attitude would be a little different.

Now with respect to promotions from within the ranks: that, I suggest, is a change of policy, and I am not condemning it, but I should like to know what the minister proposes to do with these young men who, at considerable expense to themselves and to the country, have taken the Canadian officers' training corps course with a view to getting commissions. How are they to be integrated into the service as commissioned officers? Or have they to go into the ranks? Remember that these are university men.

An hon. MEMBER: That does not make them any better.

Mr. HANSON (York-Sunbury): That does not make them any better, but it does not make them any worse, and they went into this training on the theory that if they took

it they would be given commissions. Am I right in that assumption? I suggest to the minister that at some appropriate time he explain the position. I do not want to labour it further.

The Minister of National Defence for Air (Mr. Power) recently made a statement in this house, and I am bound to tell him, notwithstanding what he may have said, or thought, or thinks of me, that it was of a most encouraging character. This war is being fought largely in the air, and Canada will make and is making, in my view, a distinct contribution in the air to empire defence and towards winning the war. We began late, but I believe that real progress has been made. What a pity we did not begin two years ago! I suggest that air training in Canada became really effective only when the present minister took over and when he appointed Mr. Duncan as the deputy; and upon that I congratulate him.

Mr. POWER: You just copied that from "Mitch".

Mr. HANSON (York-Sunbury): No, I did not.

Mr. POWER: Try to be original.

Mr. HANSON (York-Sunbury): I have not "copied that from Mitch" at all. I could say something concerning what "Mitch" said about the minister which would be rather flattering to him, and I could mention other things he said about other members of this government which are not so flattering. Does the Minister of National Defence for Air suggest that I should spread on *Hansard* this speech of Premier Hepburn?

Mr. POWER: Oh, no. I agree with some things in it.

Mr. HANSON (York-Sunbury): I regret I was not in the house when the Minister of National Defence for Naval Services (Mr. Macdonald) made his speech. I have read it since. It was moderate. I am one of those who think that the Royal Canadian Navy has been doing good work with very limited means and equipment.

According to the minister we are to embark on a shipbuilding plan. It is said that we are to build destroyers and perhaps cruisers. Well, I think we are a little late in starting. It will be a long time before we are able to make any distinct contribution to the winning of the war with Canadian-built naval vessels. It is true that we built some mine sweepers and some coastal vessels, but, aside from assisting in convoys, our contribution has been meagre indeed.

And now shall I read to you what Mr. Hepburn says about it—or shall I leave it to your imagination? No, I do not intend to read it. Hon. gentlemen have all read it and it is none too complimentary.

All Canadians, I believe, will be pleased to learn that the government has decided to reopen the naval college, thereby rectifying a mistake that was made by the government of my right hon. friend almost twenty years ago when they closed the college. We thus deprived our young Canadians who were looking forward to a naval career of having a college in Canada to attend. They had to go abroad. One fine young naval cadet in my own county went to England at the expense of his parents and entered a naval college there. Last spring I had the pleasure of announcing, through the courtesy of the Deputy Minister of Naval Services in this country, that he had in the whole field of cadets won the King's Dirk, but he had to go to England to acquire that honour.

The minister indicated that it was the policy of the government to build in the near future destroyers in Canadian yards. He stated, in my opinion very rightly, that we did not have the necessary experts here, and therefore he had communicated with the authorities in Great Britain to ascertain if they could furnish the necessary experts in naval construction.

I am at a loss to understand how the minister can expect to get these experts from England when one considers that in this great war every shipyard in England is driving at top speed not only in naval construction but also in the building of merchant cargo ships. Furthermore, all the naval guns and necessary armaments would have to be imported from England, and they surely are not procurable now. That is a pity, but I believe I am stating a fact when I say that we cannot hope to get any substantial number of naval experts to come to Canada and help us in this shipbuilding programme. I may be wrong; the minister may have other information; but it would seem to me that these men would not be procurable at this time.

There is another obstacle in the way, which I think it is my duty to point out to the minister, and that is that the cost of naval construction, either in war or in peace time, would be so excessive as compared with construction in the United Kingdom that for economy's sake we ought to consider whether we should not have these ships built in England. This question came up very acutely in the late twenties. The *Lady* boats were built in England because it was understood and agreed by the government of the day, and by all parties who took any intelligent interest in the matter, that it would cost at

least fifty per cent more to build them in Canada. That consideration still obtains. However, I suppose we shall have to consider the question of building steel ships in this country, sooner perhaps than we think. The necessity is there and it may be that even if we have to pay a higher price it would be good national policy to do so.

The minister quite rightly states that Canada ought to have a stronger and more efficient navy. Hence his reason for advocating a policy of construction of destroyers in Canada. I am not an authority on naval matters, neither is the minister, so far as I know. He has to take expert advice. I should like however to quote to him one of the greatest authorities the world has known—the late Admiral Sir John Jellicoe. When Sir John Jellicoe visited Canada in connection with naval matters in 1920, the minimum policy he recommended for Canada was to provide immediately for three light cruisers, six destroyers and four submarines. We have at the present time twelve destroyers, and I am sure the minister will recognize that when he is considering a permanent policy it is not destroyers that we need but light cruisers and submarines and other craft. These light cruisers are armed with four 6-inch guns, anti-aircraft guns and torpedo tubes. We all recall with a thrill of pride that it was three light cruisers of this type that defeated the German pocket battleship *Graf Spee* last December.

Destroyers are all right for a short distance when escorting convoys, but for proper protection a convoy must be protected by light cruisers; I think that is the experience of this war. Since this war began our convoys have very often been escorted not only by light cruisers but even by battleships.

There is one other matter to which I should like to allude in a discussion of our navy. I am sure we all appreciate the great responsibility that rests upon the shoulders of the minister as well as the director of naval service to see that no officers shall be appointed as destroyer commanders or to other senior posts unless they are fully qualified. To state that is to state a truism. No better naval officers exist in the world than Canadians when properly trained. Our merchant marine men indicate that. But a naval career, according to the best British standards, requires not only graduation from a naval college but long years of training afloat, first as midshipman, then sub-lieutenant and then lieutenant; and many years elapse before anyone can expect to be promoted to the rank of captain.

The late Lord Jellicoe stated, when he was in Canada on his naval mission, that it takes nine years to make a good lieutenant gunner. I realize that when our naval service now have twelve destroyers, they must be sore pressed for officers, more especially for the senior commands, and I have confidence enough in both the minister and his officers to believe that they would not appoint Canadians to important senior commands unless they were fully qualified.

Mr. MACDONALD (Kingston City): That is the policy.

Mr. HANSON (York-Sunbury): We all greatly regret the loss of life due to the unfortunate loss by collision of the Canadian destroyers *Fraser* and *Margaree,* and I extend my sympathy to all those whose brave relatives have lost their lives. I was wondering, however, and I ask the minister, why the captain of the *Fraser,* after she was lost, was not given command of the *Margaree,* which took her place, but, according to press reports, was really demoted and recalled to Canada. There must have been an official investigation. Of course we have had no report on the matter. It was unfortunate also that the *Margaree* was lost by collision, but I am not insinuating for one moment that the loss of these vessels was due to other than fortuitous circumstances or that there was any inefficiency on the part of our gallant Canadian commanders.

Mr. MACDONALD (Kingston City): In order that there may be no misapprehension in the house or in the country, may I say that the captain of the *Margaree,* Commander Joseph Wilton Roy, had had twenty-four years' service in the navy and served in eleven or twelve ships before taking command of the *Margaree.* Commander Wallace B. Creery, of the *Fraser,* had served in fourteen ships and had twenty-six years' naval service behind him. From the point of view of experience both men unquestionably were well qualified to command ships.

Mr. HANSON (York-Sunbury): I have not suggested that there was anything but unfortunate circumstances whereby these ships were lost. I did not know the late Commander Roy, but the house may be interested to know that his wife was, I think, a native of my city; at all events her grandfather lived there and was a distinguished member of the other chamber during his lifetime.

I want to devote a few minutes to the Minister of Munitions and Supply (Mr. Howe). We heard from him and got a wealth of information with regard to contracts let and commitments made; but we got nothing with respect to production and deliveries. The Prime Minister should tell the house and the country plainly what the

attitude of the government is with respect to this important matter. Are we or are we not to have information with respect to production and delivery? It may be that it is not in the public interest that this information should be given; if that is so it ought to be made quite clear to the house and the country, and the reasons given for the refusal.

One further thing, at the risk of returning to a prosaic matter, which the Associate Minister of National Defence called a "slimy" matter—are we to have unit prices? I think the country will demand that. So far as I am concerned, unless I am shown that it is absolutely in the public interest that we should not have unit prices, I shall continue to press for them.

Speaking on a former occasion I requested specifically that parliament be informed as to what results had been attained with respect to production and deliveries, because we held the view, and I believe it is well founded, that it was the deliberate policy of the government, during the past session as well as during the interval since we adjourned in August, to endeavour to create, by general statements of what we are going to do in the future, the impression that all was well with our war effort in the way of production and deliveries. And if there is any doubt of that I will page Mr. Hepburn and see what he says about it. It was our view that the government has sought to lull and soothe the Canadian people into a false sense of security, and continues to do so. We believe that there is a danger behind such a position. Hence the amendment which I have had the honour to move in this house.

Therefore I felt impelled to ask the government that it cause to be set up immediately two select special committees, charged with the responsibility and the duty of investigating and reporting to this house, factually, objectively and truthfully, without bias and without partisanship, what our exact position is to-day (a) with respect to our fighting forces, military, naval and air, and (b) with respect to the production and delivery of all the important materials, equipment and supplies necessary to our war effort, so that the Canadian people might know the truth.

So far, such committees have not been set up. I indicated that I knew there were difficulties, and I would ask the Prime Minister, if he can and will, to tell the house what the attitude of the government is with respect to that. If the difficulties are such as cannot be surmounted then I have another concrete suggestion which I desire to lay before the house and the country. It is, in brief, that the government cause to be set up a select committee on current expenditure defrayed out of moneys provided by parliament for the defence services, for civil defence and for other services directly connected with the war, and instruct such committee to report what, if any, economies consistent with the execution of government policies may be effected therein.

Now, it is all very well to say that we can get all this information on national expenditure through the public accounts committee. Theoretically that is correct. But the information which will be obtained through the public accounts idea will not be on current expenditure. It will relate only to the expenditures that have taken place in the previous year and as covered by the auditor general's report. Practically all the national expenditure for the war effort has taken place since March 31 last —or rather the great bulk of the contracts relating to national expenditure for war effort have been let since March 31, and inquiry before the public accounts committee will not be possible. That committee may examine only such things as are submitted to it. I am impelled to make this request for various reasons, but more particularly because what I suggest has been done in England and, I am advised, with good results.

I hold in my hand a series of reports of a select standing committee of the British parliament which was set up under the authority of an order of reference made on December 12, 1939, while Mr. Chamberlain was still Prime Minister and while there was an official opposition. The order of reference contains this:

> That a select committee be appointed to examine the current expenditure defrayed out of moneys provided by parliament for the defence services, for civil defence and for other services directly connected with the war, and to report what, if any, economies consistent with the execution of the policy decided by the government may be effected therein.

Then it goes on and appoints a committee of twenty-eight members—and not one of them is a member of the government; they are all private members, and so far as I read the list of names, none of them is of international prominence. The committee has the usual power to send for persons, papers and records, and to sit notwithstanding any adjournment of the house, and to adjourn from place to place. It was to be in effect a continuous working committee to examine current expenditures for war purposes having regard to the announced policy of the government. It had the power to appoint subcommittees and to refer to such subcommittees any of the matters within the jurisdiction of the committee. Such subcommittees so appointed were empowered to send for persons, papers and records, to sit notwithstanding any adjournment of the house,

and to adjourn from place to place. This select committee has been sitting almost constantly since it was set up. Its first report was made in January, and the last I have was made on August 21, 1940. Any hon. gentleman who peruses this report will see, I am sure, that it is serving a great national purpose—not in opposition to government policy, not to the detriment of government policy, but to assist government policy, and to see what if any economies can be attained by suggestions.

My view is that we ought to have something like that here in Canada. It is a way in which private members could contribute to the war effort. I have heard dozens of members who support the government bewail the fact that they could not do anything to help, and saying that private members ought to be in a position to do something to help.

So far the war effort of the government has been carried out on the line of a closed corporation, so far as members of parliament are concerned. I submit this to the government as a constructive proposal to which they should give some attention. I submit it in the utmost good faith, not by way of criticism but by way of being helpful to the government. We know that war is wasteful; we know there is great waste in this war, though I do not say intentional waste. I do believe, however, that a committee of private members of this house, sitting day in and day out during sessions and between sessions, could perform a very useful function in assisting the government at this time, and I commend this suggestion to hon. members. It will provide an outlet for the energies of the private members who are anxious about the war, who want to make a contribution, who were sent here by their constituents to make that contribution but who find themselves frustrated—yes, that is the word—because they have no outlet for their abilities and their capabilities.

I do hope that the Prime Minister will accept this suggestion, and before I leave the topic may I say to hon. gentlemen who will accept positions on the committee, if it be set up: There is not only a real job to be done, but a job which will tax your capabilities to the utmost. You will have to make substantial sacrifices in serving the state in this way, but it is a patriotic duty which I think some of you ought to perform. I believe a real contribution can be made in this way by private members.

Now I should like to make some little reference to the Minister of Finance (Mr. Ilsley), and I shall endeavour to keep away from the question of foreign exchange, which has become a major topic to be dealt with at another time.

The Minister of Finance gave an exhaustive discourse on orthodox finance. I have never criticized the principles of the government's war financing, because it was orthodox. I thought it was just what one would expect from the financial mentors of the minister. When I say that my hon. friends to my left can take it from me that I am in agreement with orthodox finance for war purposes.

Some hon. MEMBERS: Hear, hear.

Mr. HANSON (York-Sunbury): Perhaps I did not have to say that. I have not criticized the principles laid down by the minister, but I have, I hope in a constructive way criticized some of his methods and the taxation proposals contained in the last budget.

Let me say another word about the war loans. The minister has made a substantial denial that the last war loan was not a success, but I do suggest to the house and to the country that the acceptance by the minister of the proposal I made on that occasion, with respect to the next war loan, is a substantial confession that the last war loan was not handled in the right way. I do not wish out of hand to condemn the professional bond and investment dealers. They serve a very useful purpose in connection with war loans. They can get the big subscriptions, but I suggest to you, Mr. Speaker, and to hon. members of this house that they cannot get the individual investors interested in these loans. They showed their failure in connection with the last loan; so I think it is plain that the methods of both the professional and the amateur must be used. Therefore I congratulate the minister upon his change of heart in having accepted what I considered to be a constructive suggestion.

I criticized the last budget because of its income tax proposals with respect to individual taxpayers. I said then and I say now that there was no equality of sacrifice there. The well-disposed were unduly taxed, and the tax was thrust upon them with great suddenness and severity. The minister fell into what I considered a curious error when he interpreted my words "the well-disposed" to mean "the well-to-do." In my view the two terms are not synonymous; the well-disposed may not necessarily be the well-to-do. The minister comes from an old evangelical religious body. Has he never heard of the widow's mite? I am sure he has. I use that as an illustration to point out the error into which I think he has fallen.

I do suggest to the minister that there has to be a real effort in connection with these war loans. Now we are confronted with full page advertisements with respect

to the war savings certificates. That is good; publicity is necessary and desirable, but we have to do something more. Yesterday I had a letter from a gentleman in the city of Saint John who is in charge of this work in the province of New Brunswick, one of the finest citizens of Canada, who will give voluntarily his service, his time and his private means to help put this over. He deplores the fact that the public has not responded; and that is the case, since we are not getting $2,000,000 a month from this source. Just what is the cure I do not know. There will have to be concerted action. In my own community the gentleman who has charge of this campaign tells me that he is all but throwing up his hands because of the lack of sympathy for this movement, even in that community.

We must do something to ensure the success of this campaign. If we are to attain the objective of $10,000,000 a month in war savings certificates some people will have to bestir themselves. I do beseech the members of this house to take action. Each is a leader of public opinion in his own community; that was indicated by the work done by the members in putting over the national registration. Let every one of us get behind the sale of these war savings certificates, for the honour of our own communities. Let us see if we cannot help the government put this thing over. It is a patriotic duty and one which I think every one of us ought to assume on his own account.

Now I should like to say just a word about the Minister of Labour (Mr. McLarty), to whose address I listened with a good deal of interest. The impression he left on my mind was that he was flying a kite to labour. He would have labour depart from its present standards for the duration of the war. I do not know what will be the response of labour. I believe it will be a patriotic response, but I think it will have to be made abundantly clear to labour that if it is to give up its present standards it shall be for the duration and for the duration only. Then I am sure labour will respond as it has responded in England.

I have just a word to say with regard to parliament adjourning until February 17. In my view the adjournment will be too long, but the Prime Minister has explained that in the view of the government it is necessary to take this long adjournment. I am glad to know, however, that it is upon the distinct understanding that should certain eventualities materialize, such as were outlined in the Prime Minister's statement of August 3 last, in connection with the motion presented on that day, we will be called together sooner, and with that I am content.

I have been impressed, Mr. Speaker, by the appeal that has been made by private members of this house during the course of this debate, and particularly by members supporting the administration, that more use should be made of private members and of the standing committees of the house. There is, as I gather, a feeling of manifest uneasiness, a sense of frustration at the lack of functioning on the part of parliament itself. Well, I suggest to hon. gentlemen that this is true, and the fault is the government's, because the government has taken authority to do everything parliament used to do. That may be necessary in war time, but I do suggest that to a large degree we have abdicated our functions and that there has been too much delegation of power. There is manifest in the house a will to do on the part of the elected representatives of the people, and a complete failure in performance because of lack of opportunity. The government are carrying on the war effort, as it were, as a closed corporation, and hon. members are not satisfied.

But we of this party shall not falter. We shall, as opportunity offers, cooperate with the government along the general lines indicated when I spoke on November 12, and we shall do our best to get the results so urgently needed.

In passing may I refer to the observations of the hon. member for Victoria B.C. (Mr. Mayhew) who indicated that in his view my rededication of this party to the service of the state at this time was the highlight of my address of three weeks ago. He indicated, however, regret that I myself did not lay down a policy for a war effort. Well, I do not conceive that at this juncture it is my function or within my power to do that. Why do I say this? I say it for the obvious reason that no one can enunciate a policy unless he is briefed with the facts upon which to base a policy. The facts are not accessible to us—in fact they are denied to us.

Having regard to all the statements made by the ministers with regard to the government's war effort, certain things emerge. First, we have been served with reports similar in most respects to the progress reports which we heard last summer. I am bound to repeat that there is not as much propaganda in what we have listened to during these past three weeks as there was in the reports heard last summer, but their general tenor and purport is the same.

The second point which emerges is that there is abundant evidence that the government lacks a real war programme of production. Apparently the government has become seized of that position, because recently, as late as November 16, order in council 6601 was passed, setting up the war-time requirements board, under the chairmanship of an able business executive, Mr. H. R. MacMillan, and with a retinue of departmental officials. The whole success of this war-time requirements board will centre around the chairman. He is to become the "Sir Joseph" of the effort of the government. Whatever may have been said about the other "Sir Joseph", I say that he was the greatest business man of his time in Canada, and that he did wonderful work for the imperial munitions board. Mr. MacMillan is a capable man, and I wish him well.

Let us for a moment analyse the position with respect to this war-time requirements board. Section 2 of the order in council sets out the powers of the board, and I submit to the Prime Minister that they are entirely inadequate if the board is to do the maximum work it ought to do under this authority. Subsection (*a*) of that section provides for the securing of information; (*b*) provides for the coordination and analysis of such information; (*c*) provides for the formulation of such plans as may be necessary to ensure that war needs in order of importance shall have priority over all other needs. That is all to the good. There must be someone to say what shall have priority. Then, subsection (*d*) provides that the Department of Munitions and Supply and the controllers and divisions thereof, and any other departments of the government shall be kept informed by the war-time requirements board upon the matters previously referred to, such as production, the use of materials, manufacturing plants and facilities, transportation facilities, and the obtaining of statements of prospective needs of the fighting services.

The criticism I make—and it is a constructive criticism—is that the board has not sufficient power, and that everything must be referred back to the Minister of Munitions and Supply, who still keeps control. I am serious in that criticism. That, I believe, is the weakness of the board. I am certain, however, that if he finds his efforts under the order in council thwarted by the lack of power, the chairman will apply for additional powers and get them, or know the reason why.

Looking over the whole picture it is quite apparent that in six months time the attitude of the government has undergone a marked change in outlook. In May last the government had assumed a complacent attitude. That was certainly the feeling in the country and in the house; and if hon. members do not believe me I suggest that they go back and read the speech of the hon. member for Vancouver North (Mr. Sinclair) in moving the address in reply at that time.

Then came the tragic trend of events in May and late June, the invasion of Norway, the fall of the low countries, and finally the fall of France and the epic of Dunkirk. Then, shocked by all this, we witnessed a series of hasty improvisations. What was the mobilization act? It was a hasty improvisation to ward off an attack on the government's war effort—or lack of effort. But the declarations at that time gave no possible evidence of a real war programme, and down to date we have not been told of a definite war programme. It is true that the staff officers have evolved a plan for the defence of Canada, whatever it is—but we are not told what it is. I do not think we shall be.

We are told by the Prime Minister that during all the years that he attended imperial conferences it was laid down as a fundamental that the dominions were to take care of home defence. I can well believe that, because neither he nor anyone in his entourage at that time would ever consider doing anything else, and never at any time admitted any obligation to the principle of empire defence. Since the war all these preconceived ideas have gone by the board, and to-day, fifteen months after war started, the government is giving support to the theory of empire defence, notwithstanding what some of its supporters are saying in the country.

The difference between the Prime Minister and myself is that I want Canada to go ahead on a well-defined war effort, based upon our willingness and capabilities, and in conformity with empire requirements in the theatre of war, while he pursued, up to a certain point, a course based on a theory of providing for our own defence first—in Canada. I am glad to think that force of public criticism and the tragic trend of events has, to a degree, reversed the situation. This, to me, is satisfactory, so far as it goes.

I have been told, and it stands to reason, that the greatest effort of a country situated as Canada is—an acknowledged belligerent—should be based on the theory that we should contribute to the utmost toward the winning of the war in the actual theatre of war—not here in Canada three thousand miles removed from the actual theatre of war, where our only effort would be required to repel invasion, and then only after the battle had been lost overseas.

That is the advice that was given to the Prime Minister by a great soldier in Canada. I am pleased to think that in some degree the Prime Minister has come around to that way of thinking. In so far as he has done so he is, I think, to be commended.

I shall detain the house only a moment longer to say that I was disturbed by the Prime Minister's speech of yesterday. I do not believe he did justice to himself, and certainly he did less than justice to me. On Thursday last I spoke about my impressions with regard to the war situation. I spoke about the seriousness of that situation and, knowing of the Prime Minister's greater knowledge of what was taking place, I asked him to give the house a review of the position. At that time, in addition to stressing the seriousness of the situation, I asked him to indicate what, if anything, Canada could do at this juncture toward giving further aid and assistance, whether by way of men, materials, supplies or equipment.

On that occasion the Prime Minister stated he had had in mind making a statement to the house respecting the situation. He said, among other things:

> I agree with my hon. friend in his view that the situation is a serious one. I think anyone reading the press would gather that opinion. I would also say that such information as the government itself is receiving the press would appear to be reflecting accurately. Any statement that I may have to make will be practically in accord with what has already appeared in the press.

I was happy at that reply. I thought it was an honest, spontaneous reply. I thought our minds were running in the same channel. But yesterday! What are we to think of the right-about-face of yesterday, the straight contradiction of the spontaneously expressed views of last Thursday? Mr. Speaker, no wonder I have at times a feeling of frustration at such an exhibition. Which is Doctor Jekyll and which is Mr. Hyde? No wonder the country is perplexed. Nevertheless, let us go on. Let us do the best we can for king and country.

Mr. SPEAKER: I did not interrupt the leader of the opposition (Mr. Hanson) during his address, although I must say that at times the relevancy of his remarks was rather slender as far as the subamendment is concerned. I just want to point out that there are rules to be observed in the house. I realize that in these war days perhaps the rules may be relaxed a little, but I ask hon. members to remember that my duty is to see that the rules are observed. Therefore, I wish hon. members would observe them more closely.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I shall endeavour to keep my remarks more closely to the subamendment than the leader of the opposition (Mr. Hanson) kept his, but may I suggest respectfully that all members of this house are entitled to precisely the same treatment. The treatment accorded to one member of the house ought to be accorded generally to all members who speak thereafter. I make this suggestion with all due deference to you, Mr. Speaker.

The subamendment reads:

> And this house further regrets the failure of the government to adopt a monetary policy that would permit a maximum war effort without either increasing debt or reducing the standards of living below that necessary for maintaining maximum efficiency.

It expresses dissatisfaction with the present system and a desire for the reform of that system. We of the Cooperative Commonwealth Federation agree with those objectives, although we contend that the subamendment touches only the fringe of this great economic problem.

Last week the Minister of Finance (Mr. Ilsley) said that during this debate no member of the Cooperative Commonwealth Federation had expressed any disagreement in principle with the government's financial policy. However, we have done exactly that in previous debates. For example, on September 9, 1939, I said:

> We should not inflict on the generation that follows us the cost of another great war. And we must not permit an increase in the already almost intolerable burden of national and other public debt. We believe that there are untouched financial resources which the government may still tap, or resources that have been only partly tapped as yet.

Again on June 28, 1940, I criticized the budget proposals and suggested certain alternative methods by which the government might raise revenue for our war effort. It is because we recognize the need for a more progressive approach to the problem of war production and war financing that we support the amendment calling for a reformed monetary system. We believe that our financial system ought to be considered as the accountancy system of our economic life. We feel that if we produce goods and services, the money should be available to distribute and encourage their flow.

Miss Dorothy Thompson is a bitter but well-informed critic of the nazi and fascist regimes, and I have no hesitation in quoting her, nor do I expect to be misunderstood when I do so. She said:

> The Germans did not vote themselves four billion money units for defence. They voted —had voted for them—thirty thousand planes, so and so many guns, so and so many thousand

tons of reserves of oil and raw materials. The German economy is an economy of things and men; the allied economy is an economy of symbols: money. The German economy recognizes that all wealth is in goods, particularly in capital goods, and that these are not created by money, which is only the medium of exchange, but by the application of labour to materials. The allies had money, but failed to produce goods. The Germans had no money, but did produce them.

I submit that by those words Miss Thompson clearly placed before the people of the allied countries a fundamental economic truth which the German regime has prostituted for a diabolical purpose, just as the devil can quote scripture when it serves his needs. Although we may dislike the prostitution of that fundamental economic truth, yet in these days when we are considering the expenditure of large sums of money we ought to pay some attention to methods other than those we have been using to finance our war effort.

The truth is that all material wealth results from the application of labour to material things. Once we realize that, the path to a better and brighter economic system will become more clear to us all. As long as we have men and materials we ought to be able to devise a monetary system which will facilitate the flow of goods and services into the channels into which we desire them to flow.

I have the New Zealand *Hansard* on my desk and I should like to turn to a speech made by the minister of finance of that country, Hon. Walter Nash, on June 27, 1940. As reported on page 307, he had this to say regarding the monetary and financial policies of that country:

Provision for loan contribution by large investors will be made by the issue of loans with a currency of ten years or more in respect of which government stock will be issued in the usual manner. In the circumstances the government consider that these loans should be regarded as contributions to the war effort from the material assets of those with property and should accordingly be free of interest for a period of three years or until twelve months after the conclusion of the war, and thereafter for ten years at a rate of interest not exceeding 2½ per cent. In this way the government proposes to raise within New Zealand not only the money required to be expended in this country, but also some portion of the amount necessary to meet expenditure abroad, thus relieving, so far as is possible, the drain upon the resources of the British government.

Mr. Nash then outlined his proposals for a compulsory loan from those with large accumulations of wealth, and the necessary legislation was subsequently adopted by the New Zealand house of representatives.

Last week the Minister of Labour (Mr. McLarty) suggested a policy which will place a heavy burden upon labour. I submit, Mr. Speaker, that equality of sacrifice demands that a policy such as that outlined by the New Zealand minister of finance should be instituted here, and for the same reasons—to assist our own war effort and to help Great Britain in her economic and financial extremity.

Yesterday this was brought forcibly to our attention by the proposals that were made by the Minister of Finance (Mr. Ilsley) and which we shall have the opportunity of discussing later this week. But, holding the views which I have presented, I submit it is incorrect to say that we agree in principle with the government's financial policy. We are indeed in sharp disagreement with it. The Cooperative Commonwealth Federation in this house and throughout the country have stood for a different system.

Recently Mr. Herbert Morrison, Home Secretary in the British government, in the course of a speech in which he suggested—incidentally—definite war aims, as well as foreshadowed a new monetary and economic system, made this significant statement:

If we are fighting only to end the nazi threat to our future, if we have no aim but to get back to pre-nazi Europe, we are chasing a will o' the wisp, and we shall fall into the mire. The roots of nazism are not all to be found in the original sin of the Prussian temperament: the roots of war lie deep in our present ways of living, and we have the chance now to dig some of them out. Upheavals and landslides there will be.

And, if I may interject this thought in connection with the subamendment, one of these landslides will be against the present financial and economic system, sweeping it away and laboriously establishing order out of chaos, unless we at this time, when we have the opportunity, prepare now during the war to lay the foundations of a better and saner economic, financial and social order than we have known in the days that have gone by.

Mr. Morrison then went on to say this:

To-day, necessary measures to control our economic system in the interests of the community, and in the urgent cause of winning the war, are being resisted and attacked in the name of freedom. We need to be on our guard, evening and morning, against this prostitution of a fine word. The freedom of private business is often another name for economic anarchy, which has always led to war—and always will.

May I point out that, while Mr. Morrison was speaking of economic aims, nevertheless, as a member of the British government he was not unwilling to place before the people of Great Britain some aims which can be interpreted as war and peace aims. He went on to say:

While we must be ready to surrender a measure of national sovereignty, we must maintain the cultural freedom of nations and a

proper measure of independence in their political life. We must cling to an ideal of government, whatever its actual form, as something which exists to serve peoples and not to dominate them.

Does our present financial system serve the people or does it to-day dominate the people? That is the question, it seems to me, which is involved in the subamendment.

And we must remember that this is no mere internal question, since the governments that dominate at home are often the peacebreakers abroad.

Next, the nations must come together and tackle international economic problems, including the problem of colonial possessions, on international lines, even if this means the limitation of national sovereignty.

Then we must organize the industry, trade, commerce and raw materials of the world with the idea not of bolstering up the special privileges of any class or group, but of achieving a higher standard of life for all.

May I say that in my opinion that, too, is involved in the subject matter of the subamendment.

Next, we must insist upon achieving international control of arms manufacture and armed forces, once again giving up some of the old ideas of national sovereignty in order to bring that about.

Lastly—

He went on to say:

—the nations—victors, vanquished and neutrals alike—must agree that none will seek to be judge in its own cause. That each will submit its grievances and its quarrels to impartial judgment, and will abide by the outcome.

On that basis, Mr. Speaker, the British people have been rallied in support of a great cause. Some of us in the past looked with a good deal of apprehension to the war which was then coming, because in those days we had little faith in those who were associating themselves too closely with the dictator in Spain and with dictators elsewhere with whom they wished to make some kind of agreement. We should always keep in mind that our aims must include that every man shall secure the right to life, liberty and the pursuit of happiness; that he shall not be falsely imprisoned in gaols or in concentration camps; that he shall not be enslaved nor shall he be exploited to the profit of any of his fellows; and that he shall be free always and everywhere to think, to speak and to worship as he will. And may I say that these words are a summary of what Mr. Morrison went on to say. He is one of the men who to-day is inspiring confidence not only in the common people of Great Britain but in the common people of Canada and lovers of democracy all across the world.

I only wish that in our own country we could hear the same kind of challenging economic, social and political aims put forward by our leaders at this time. If we heard them, I am convinced that there would be very little trouble about arousing the Canadian people to the necessity of bringing this war to a successful conclusion. But, on the contrary, those of us who hold these views in common with men like Herbert Morrison and Ernest Bevin, are derided and accused of giving allegiance to something our critics call state socialism.

We believe in more liberty not less liberty, in more personal property privately owned and enjoyed but not in public property privately owned and used for the exploitation of the Canadian people. To right the wrong is the aim of the Cooperative Commonwealth Federation, and it is one of the aims of the group sitting immediately to my left and embodied in the subamendment that is before us this afternoon. The British workers are prepared to follow their leaders, who have fought for their rights to organize and who have secured those rights for them in former days.

Although I usually dislike quoting at any length, I want to give one more quotation which I think has a direct bearing on the subject I am discussing. Mr. Henry L. Stimson, Secretary of War for the United States, in a speech at New Orleans on November 18, said:

Under the leadership of Ernest Bevin and Herbert Morrison, English workers to-day are producing as men have never produced before, and by their labour they are turning their island home into an unconquerable citadel of freedom. With the enemy's bombs literally dropping about them as they work, they are turning out more and more of the instruments of defence. This unconquerable effort has been made under the leadership of labour itself, which to-day is the backbone of the British fight for freedom.

Yet the political faith of Bevin and Morrison is under continuous fire in this house at the present time. In Canada factories are idle and men are unemployed because this nation is trying to wage war under the baneful influence of private enterprise with the profit motive at the root of its endeavours. This debate has revealed that there is not as much basis for the statement I heard from England the other evening from Air Marshal Joubert as I should like to think there might be. The Air Marshal was lauding Canada's war effort and saying that soon there would flow to Britain vast quantities of supplies from the war industries of this country. But this debate has shown that little or nothing is being done to prepare thousands of idle workers for the day when our industrial life is organized, as it must be organized in the near future, for the task that lies ahead.

An estimate was made a few days ago that in addition to all the money that we require to raise, we shall require something over 200,000 new workers in industry in the course of the next few months. So far, however, we have scarcely done anything to train these workers for the work they will have to undertake. I do not agree with the Minister of Agriculture (Mr. Gardiner) that people who can milk can tend a machine. They require training to tend the complicated machines of our complex industrial life. The Minister of Labour quoted resolutions from labour organizations expressing their willingness to forego some of their basic rights. Let me say to the minister and to the government that if the working people of Canada are to be asked to forego some of their hard-won rights and privileges, then we must ask the owners of industry and the controllers of finance to share equally by the sacrifice of their privileges also. There is a growing feeling that this is not being done.

The defence of Canada regulations are being used to prevent labour from exercising the basic right to organize. We saw an example of that recently in connection with the difficulties at the Chrysler plant. Mr. Herbert Morrison declared that no man shall be falsely imprisoned in gaols or in concentration camps and that justice shall not be denied him or delayed. Yet in Canada there are many men who, although they may be guilty of having been members of subversive organizations at some time, nevertheless have the right, surely, to be tried—a right now long delayed—and to know what the charges are against them. Under the defence of Canada regulations justice, although not denied, is indeed delayed, because men are not getting an early opportunity to make their plea against the accusations which caused their detention. In this war for democratic institutions that right ought to be kept inviolable. Every man should have that right within the British commonwealth. We are not looking in the right places for the subversive influences. The arrest of humble members of society who make stupid remarks has been played up, and members of organizations now outlawed have been arrested only because they were associated with those organizations. Sometimes, not recently but several years ago.

This brings me to a matter which is allied both to the question of our own financial obligations and to the democracy for which we wish to use our financial institutions. It is a matter which in my opinion parliament must consider and consider carefully. In my speech at the beginning of the session I made some references to the Canadian Broadcasting Corporation and the resignation of Mr. Alan Plaunt from the board of governors, and I requested that a parliamentary committee be set up to investigate the serious charges made by the retiring governor. I felt certain that the government would facilitate the establishment of such a committee in view of Mr. Plaunt's long experience with publicly owned radio in Canada and the evident seriousness of the grounds for his resignation.

The Canadian Broadcasting Corporation is a public institution directly responsible to this parliament and not to the minister who may speak for it in this house. It is, therefore, a responsibility not of the ministry but of parliament itself. As I said in my earlier speech, radio is an important feature of modern life; through it, great good or evil can be done. I would emphasize that this is particularly true during a modern war and is a potent reason why we should maintain public confidence in this great and important publicly owned institution.

As yet no answer has been given regarding the appointment of a parliamentary committee. That being the situation, I think it is not unfair for me to assume that the government is prepared to allow the Canadian Broadcasting Corporation to continue its present policies and management without any immediate parliamentary investigation. As members of this house we have not only the right but the duty to inquire into the serious charges made by Mr. Plaunt. Are they well founded or are they not?

Last week the board of governors met and passed resolutions expressing confidence in the general manager. But it is significant that they did not say a word to meet the charges—and I use the word "charges" advisedly—that have been made publicly in the press and recited in the House of Commons. On the other hand Mr. Plaunt repeated his charges and emphasized them in a statement to the press after the board's resolutions were published. He says that, by failing to face the situation, the board was—I quote him—"condoning very serious internal conditions and irregularities as well as certain policies which are indefensibly partisan and harmful." Again may I say that Mr. Plaunt is a highy educated man, a graduate of both Canadian and British universities, and when he uses the word "irregularities" I submit that the use of that word is sufficient to warrant a parliamentary inquiry into the irregularity or irregularities alleged.

Moreover—and this is of the utmost importance—he reiterates his readiness to substantiate fully before a parliamentary committee the grounds for his resignation. In the face of these charges the board's expression of confidence in the management cannot be accepted

in place of a parliamentary inquiry. Mr. Plaunt's charges are in part directed against the corporation itself. Had the board been willing to take the necessary action, presumably Mr. Plaunt would not have resigned. In the public interest and in the interest of our democracy as well as of this great public service, it is therefore necessary to speak both plainly and bluntly in this matter.

Since the outbreak of war two important resignations have occurred from the staff of the Canadian Broadcasting Corporation, for reasons, so I am informed, which dovetail with the charges made by Mr. Plaunt. One of these resignations occurred shortly after the outbreak of war, and concerned a young Canadian who is well known to many hon. members. I refer, of course, to Mr. E. A. Pickering who had for some years been attached to the Prime Minister's office and had won a reputation for both his ability and, I presume, his loyalty. Mr. Pickering joined the corporation in the fall of 1938, and for the latter part of his one-year service held the position of assistant to the general manager. Yet, after less than one year's work with the latter gentleman, Mr. Pickering resigned, I am reliably informed because of unsatisfactory internal conditions and unsound practices. We have a right to know what those unsound practices were.

Mr. MACKENZIE KING: My hon. friend has referred to Mr. Pickering's association with myself for a time in my office. From that it might be inferred by some that it was through this association in some way and with my knowledge that he obtained a position with the broadcasting corporation. I do not say that anyone is insinuating that, but I should like to make it perfectly clear to the house, and I am glad to have this opportunity to do so, that I was not aware of Mr. Pickering having secured any appointment with the broadcasting corporation until I read it in the papers. That was several weeks, or months, after he had resigned from his position in my office on the score of ill health. I just want to make that plain.

Mr. COLDWELL: I wish to thank the Prime Minister. I had no intention of making any such insinuation. The reason why I mentioned Mr. Pickering's association with the Prime Minister's office was that I thought it to be an indication both of his ability and of his integrity.

In view of the situation that has arisen in the corporation, Mr. Pickering should be invited to appear before a parliamentary committee and explain what unsatisfactory conditions and unsound practices caused him to tender his resignation.

Last week the resignation of Mr. G. W. Buchanan, son of a most respected western senator, was announced. Since before the outbreak of war Mr. Buchanan had been director of public affairs broadcasts, and had been employed in important posts with the corporation since the beginning of 1937. To the press Mr. Buchanan stated that his resignation was caused by "a lack of organization and clear definition of policies relating to war-time needs."

I understand that Mr. Buchanan's letter of resignation goes into the matter fully, and also cites a number of examples, which show a complete absence, in the present management, of any liberalism or sense of democratic objectives for which we are fighting in this war. In fact it would seem that, at times, personal considerations rather than the public interest have influenced the choice of programmes and speakers.

Mr. HANSON (York-Sunbury): Will the hon. gentleman permit me? Does he intimate in any way that there has been any malfeasance in office on the part of the management, or is it just a difference of policy? I would like him to elucidate that.

Mr. COLDWELL: I would say that the terms used, "irregularities" and "unsound practices" cover a much wider field than simply differences as to policy. Since those terms are used, I submit that it is the duty of this house to find out exactly what they mean, and that we should do so by way of a committee.

I was proceeding to say that some of the war programmes initiated by the corporation itself since the outbreak of war have done this country no good. Hon. members will recall, for example, the broadcasts by Mr. George McCullagh and the circumstances attending them. They will also remember, perhaps, a series called "Over the Top," which I am reliably informed was stopped through the intervention of the government itself.

We have had some excellent war series, but upon inquiry I have learned, or at least have been told, that all of them originated in the office of public information, or in one of our own government institutions or departments. A parliamentary committee could place the responsibility where it belongs.

I come now to a matter of equally grave importance. In the November 23 issue of *Le Jour*, a newspaper published in Montreal in the French language, which I read with some difficulty, there was a long article, which I had translated for me afterwards, signed by the editor and dealing in part with the behaviour of the Montreal management of French network of the broadcasting corporation

towards Jules Romains, one of the greatest living figures in French literature. I propose to place the following extracts from the article—a translation of course—on *Hansard*:

The Canadian Broadcasting Corporation, too, thought it prudent to forbid any political speech by the author (Romains) over its network. He was told that he would be welcome at CBF—

That is the French language broadcasting station.

—if he would confine himself to a literary subject. Naturally the offer was declined. Romains had broadcast more than once from American stations. These broadcasts had been relayed to Canada. They were, perhaps, the finest and most useful talks, from the viewpoint of our war aims, that we had heard in Canada. Why then did Romains, once here, become for these scrupulous CBC officials, a scapegoat and a pariah? We know—and we will prove it at the proper time and place—that there are, in the higher reaches of the information and radio services, men who not only have always been and still are the enemies of the democratic ideals for which thousands of our men are shedding their blood, but who, while hypocritically praising—because it is the duty of their office—the acts of our allies would in no way be displeased by a British defeat and a nazi-fascist victory.

I am quoting, of course.

We know the company these people keep, and in those circles it is quite the correct thing to do to vilify England and to judge with philosophical calm—and even with sympathy—Germany and Italy. And yet, these are the men who are paid to mold public opinion, to steer hatred into the proper channels, to create enthusiasm, in brief, to save us! We are indeed in good hands! It is by having acted in this way, it is by having harboured in their midst saboteurs and traitors, that certain European countries, including France, are to-day humiliated and enslaved.

I deeply regret to have to unveil this shameful situation. I do it because it is my duty and I hope that the government at Ottawa, before whom I place these facts, will be wise enough to open its eyes and to act.

These are most serious charges. Mr. Jean-Charles Harvey, the author of this article, states that he is prepared, at the proper time and place, to prove these charges. There is only one proper place, Mr. Speaker, and only one proper time. That place is before this parliament, or a committee of this parliament, and the time surely is at the earliest opportunity. Therefore I submit that the statements by Mr. Plaunt, the grave charges made by *Le Jour,* and the reasons given for the resignations of Mr. Pickering and Mr. Buchanan surely demand a complete investigation into this important public service, which we must protect, as a public service, from destruction before it is too late.

Why is the government silent on the matter? No reference was made to the corporation in the speech of the Minister of Munitions and Supply (Mr. Howe) in this house. Why does the board of governors remain ready to allow such a condition to continue? This is a great public service, and to my mind it is dangerous to rely almost wholly upon a chairman who is the head of a St. James street trust and a vice-chairman who is a key figure in the Canadian movie industry, which in a sense is a competing industry and which, largely under the guidance of this same vice-chairman, has become one of our great Canadian monopolies. Is this another example of big business controlling what has been called by a United States author the "opinion industries?" I repeat that conditions in the broadcasting corporation, our experience since the outbreak of war and the incidents to which I have referred demand a complete parliamentary inquiry into the whole matter, and I am taking this opportunity of again asking for such an inquiry, or an assurance by the Prime Minister that it will be undertaken when the house reconvenes in February.

There are other matters to which I should have liked to refer, but I see that Mr. Speaker is warning me that my time has expired, and I do not wish to trespass further on the time of the house.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, I am sure hon. members must remember quite well what happened last August, when the leader of the opposition (Mr. Hanson) suggested that we should not prorogue but that, instead, the house should sit for an indefinite period of time. I believe the views of a majority of hon. members were not those expressed by the leader of the opposition, who leads—I wonder whether that is the proper word—just a small handful of members of parliament. His idea was that the house should be adjourned to some later date, in order that we might be able to meet in case of an emergency. Strangely enough, the date on which we met again was November 5, not the date of the invasion of England by Hitler but the date of the presidential election in the United States, an altogether different matter. The house met and parliament was prorogued; two days later this session was begun and this debate has continued since that time.

I wish to offer my most sincere congratulations to those members of parliament, whose number is growing every day, who have shown their independence of thought in offering constructive criticism. For many years I have done that, in language that was not always flowery but nevertheless was always sincere. At times, sir, I have been treated like a

black sheep because I spoke my mind, but I felt vindicated when I heard or read the fine speeches made by some of my colleagues this session. Members of parliament realize their responsibilities, which are heavy, and I am glad to say that our constituents realize them also. I am amazed that a small number of cabinet ministers should think this is their own war and their own business, and that they can lord it over us. It is time they realized that it is our war, the war of all of us; our business, the business of all of us; our money, the money of all of us; and our future, the future of all of us.

In saying that, I am not at all advocating a union government, nor is it my idea that the leader of the opposition alone should be taken into the confidence of the government. I believe that when matters of importance are to be decided by the government, all members should be taken into their confidence. We are here as representatives of the people, with whom we keep in touch. Every week-end since the beginning of this session I have returned home to meet and talk with my constituents, and I am prouder of them than ever. I feel refreshed when I go home; in fact, if I had not spent my week-ends at Rivière du Loup I could not have stayed in Ottawa for so long this session.

But, sir, at times each of us has occasion to meet a man on the street. We talk to him and, what is more important, we listen to him. I say that because no member of parliament will learn the views of his people if he proceeds to give a lecture. He must ask questions. He must listen, and must remember what has been said to him. When the poorest man in a constituency pays any member of parliament the honour of calling on him, and when that person opens his heart to show confidence in his representative, and tell him secrets he would not tell his neighbour, that member may well be proud of his position as a member of parliament.

When we assemble in this chamber we have the duty not to forget what we are told by those who have honoured us by permitting us to represent them. I want to remember what I have been told by them. There is not a member in this house who does not wish and expect—and the sooner the better—the complete defeat of Hitler and Mussolini, and all of those who would try to impose their will on the democratic nations, and cause them to disappear as such.

There are few of us who are in the army. It is our duty to see that a real war is waged against those whom, by passing two orders in council last year, this government has declared our enemies. They are the enemies of all of us, and we must win over them. The winning of this war is essential to the welfare and to the future of all democracies.

I am reminded of what Marshal Foch said in my presence at the Chateau Frontenac in Quebec, when he was received after the last war as the victor over the hordes he had defeated. His words were: "War is common sense." As we shall all be affected either favourably or unfavourably by the results of this war, it is our duty to give all possible assistance to the government, and to tell them we are one in our desire to help to win.

But I wonder whether flattery is a real help. I do not think it is. When one is driving a car along a dangerous highway and he sees his friend raise his hand, and hears him say, "Do not go farther," that person must not conclude that his friend has become unfriendly simply because of his action in giving warning of a danger. The natural thing to do is to stop and to take heed of the advice given. One may ask, "Why have I been stopped?" And the answer might be, "There is a precipice at the end of this road, and if you proceed two hundred yards farther you may fall over it."

With this in mind, I say that there is nothing hostile in the action of a member of parliament who warns the government against any dangerous policy. One of the worst policies we could follow would be that of thinking that we are to come here simply to listen to everything that is said, and observe "de Conrart le silence prudent"—"Conrart's prudent silence." At times we have something of praise to say; at other times we may have blame to place. But so long as a man is sincere, no person must expect him to become a slave, or to be ready to swallow everything decided by persons outside the government who have no right to speak on behalf of the people of Canada.

We are facing a long, hard war. Everybody is agreed on that. We shall not win it by shutting our mouths and being yes-men. Members of parliament should be consulted, and sooner or later the government would have to make up its mind about it. Matters of great importance and vital to all of us are decided by a handful of anonymous outsiders who believe that they are high above criticism. The man who enters politics or public life, even from the back-door, has no right, whenever it suits him, to retire under the shelter of his private life so as to escape criticism. To give the reason that it is ungentlemanly to criticize the actions of the experts whose advice is blindly followed by the government is ridiculous. As members of parliament we are all exposed to such

attacks. When they are unfair we are at liberty to justify ourselves. If one is afraid of them, then there is only one thing for him to do, and that is to stay at home.

In these days we hear a good deal about Westminster. Let us follow what is being done at Westminster. We should act as they do there, so far as parliamentary practice and procedure are concerned. The rules of that house are not numerous, but the practice has been established by traditions stretching back hundreds of years—traditions of freedom, traditions of liberty, traditions of real democracy—and the parliament at Westminster should be our guiding star in our deliberations. Otherwise we might forget that we are a British dominion. Anyone who might visit the English parliament would see that men have an opportunity to discuss questions vital not only to Great Britain but to the whole of the British empire. They do so freely. They are not afraid to speak, nor do they use the language of sissies. They talk like men, and man to man. The atmosphere of Westminster is not that of a pink-tea room but that of the oldest parliament in the world, one in which the members show that they are men, that they are worthy of the confidence placed in them.

I can tell you, sir, that I am true to the traditions of my province, true to the traditions of my family and true to the traditions of the illustrious grandfather of my chief when I make these statements. I have always been ready to defend my party. I have always believed that one should be loyal to his party, and I have tried to show fidelity to mine at all times. I have shown fidelity when the whole party was ready to vote for Bennett. I was alone in voting against him. I have shown fidelity to the party when everyone on our side had a long face after hearing two speeches by the Hon. H. H. Stevens about unemployment. I ask hon. members to refer to what he did and said about it during the time when Mr. Bennett was leader of the opposition, when he was Prime Minister and after the great good-bye. He disappeared and we did not see him round the house any more for a whole week.

The same with the former leader of the opposition. I can remember when he sat with dear old Ned Ryckman during the time our party was in power in 1928. Between the taking of two votes Mr. Manion tried to make a surprise attack on this government, and I answered him. My first word was that this was the first time in my life that I had noticed the effervescence of a cerebral seidlitz. Some hon. members were laughing, but I was defending my own party. That happened before dinner, and after dinner the whip came to me with a five o'clock edition of one of our Ottawa contemporaries and showed me the report of a speech which had been delivered by Sir Robert Borden the same day. He told me to use it because the first part of that speech was directed against the prospective Tory leader in the house.

There were times when we were fighting for the party, fighting against R. B. Bennett, the man who was defying God and man, and was just as scarlet as that thing under the beak of a turkey. I told our lamented friend, Mr. Rogers, to give me a chance to fix him. I told him a few things which were quite right, judging by the way in which they were received by members of the party. Then he sat down. It was said that that was a wicked way to deal with the former Prime Minister. And he was still red.

Every time the party has been in trouble the member for Témiscouata has defended it because he expected at all times that the party would promote views which would be in the interests of the people of the country. This was done for a long time. This was done until 1930, the golden age of the Liberal party. You, Mr. Speaker, were a member of the house at that time, and you will recall the great days until Bennett came to power. Then what happened? Bennett had the opportunity to show how good he was as Prime Minister of Canada, but look at the type of men he picked for high positions in the government service! He picked pygmies from the United States and from all round the country. When Mr. Bennett was Prime Minister, they never knew what was going to happen the day after; but when this government came into power, it was decided that they were experts, that they were gifted with the faculty of being mind-readers and so on. It is deplorable to think that such importance is given to men who are not in contact with the Canadian people. There are many of these men in the service, particularly in the Department of Finance.

I have listened to my hon. friends to my extreme right and I appreciate the fine optimism they show in the subamendment. But that optimism is preceded by pessimism. The subamendment reads:

> And this house further regrets the failure of the government to adopt a monetary policy—

Here comes the optimism.

> —that would permit a maximum war effort without either increasing debt or reducing the standards of living below that necessary for maintaining maximum efficiency.

It has never been clear in my mind just what they wish to promote. When I have asked them they have answered that I did not understand a word of what they were

saying. Of course, I am simply a man on the street, I am not an expert in these great problems of finance. Then they asked something with which I cannot agree absolutely:

Furthermore this house is of the opinion that a continuation of the present financial policy will further destroy the precious liberties so essential to, and recognized as being inherent in a true democracy.

I cannot say that I agree entirely with that. There is, however, something which we can discuss together and with regard to which we can arrive at a certain understanding. In my opinion the worst possible policy to adopt in connection with financial matters in this country is that of contraction. If a man attempted to live on a diet of vinegar and lemons, he would be finished in no time, because those articles of food would have the effect of contracting his stomach so that it would be impossible for him to eat anything else. One of the absurdities regarding trade which were advanced by R. B. Bennett was that trade should be one-sided, that we should have no imports but should just export to other countries. He did not consider invisible exports in connection with the tourist traffic and so on. This was a great mistake, and I am afraid that the experts of the Department of Finance may induce this government to follow that practice. Most of these men were Bennett appointees and therefore they are dangerous men. They were advisers of Bennett, and I think this government should take their advice with at least a grain of salt.

For five years we had as Minister of Finance a man who had absolutely no legal training or understanding. He never knew the rules of the House of Commons, and he was inclined to follow the same dangerous course as had been followed by Mr. Bennett, and listen to men who were not qualified to occupy the high positions they hold in the Bank of Canada and the Department of Finance. They were his advisers—men who were cranks. I remember very well that one day I was interrupted by the then Minister of Finance, who took the advice of a man who was then and is still incompetent, in the Department of Finance, and he is one of a great many lords of this country whose advice is followed by the government. He has one of the highest salaries paid in the civil service. Another one, who receives $30,000 a year, says to all the poor fellows who have no money, "Tighten your belts; practise economy." And he receives $30,000, enough to sustain sixty families during this hard winter. Those are the people we are expected to listen to. They are the experts, they are the great men, they are the Melchizedeks. Well, that is enough.

We are told that it is not gentlemanly for us to say that these men are not qualified to be considered experts in this country. I strongly protest, Mr. Speaker. They should be fired, all of them, and replaced by men having sound minds and good common sense.

We find the same conditions in other departments. Men come from outside and are deemed to be experts. So long as they have not been elected by the people they are great men. One of the ministers, who I presume is now the guest of the Right Hon. R. B. Bennett at Juniper Hill, Surrey, told us that we were not to indulge in favoritism or in patronage. Let us look at the directors and officials of Barclay's bank, the bank of which he was a director, who are now in the Department of National Defence. There is Magee, there is Fraser, and how many more. When these things are done by the department, it is all right, but when a request is supported by members—"nix.". What hypocrisy it is to tell us that there will be no politics in these matters, and yet all these barons of finance are coming here to take possession of Ottawa! We shall never stand for it. I am all against this kind of thing. If these men want to have anything to do with public business, they should run as candidates in a constituency, or be appointed to some vacancies in the senate, or be made deputy ministers.

To-day we have a czar of labour. We have also a czar of steel. Besides that, orders in council during the recess are substituted for the statutes of parliament, because the government has followed the absurd proposal of the leader of the opposition. It is not the usual statute book which we are supposed to receive, it is orders in council passed during the adjournment which are the laws of the land, and I would not be astonished if such orders in council are still being passed while this parliament is in session and while we have been discussing and listening to commencement exercises.

Well, sir, I hope we shall soon come back to the good old system of responsible government. We hear at times from ministers that they have assumed a great responsibility—that they have decided this or not done that, and by so doing have assumed a great responsibility. Of course it is the duty of members of the government while in office to make certain definite decisions regarding the matters which are brought before them; they have to decide what to do. But they do not assume thereby any extraordinary responsibility; they are there to discharge those functions, and whether they do the right thing or not is a matter for the House of Commons to decide.

Ministerial responsibility is the rendering of accounts for every cent which is spent by the government. That is ministerial responsibility, it is understood by all of us, and it was well expounded by the hon. member for Rosthern (Mr. Tucker), who made one of the most magnificent speeches that I have ever heard in this house. Ministerial responsibility is a principle which our forefathers fought for, and they succeeded in gaining it, and now we have lost it since Charley Dunning has been Minister of Finance. Hon. members recall the discussion of the mortgage bank, when he told me that he had given me information. He had, indeed, given me some information, but it was not all that I wanted, and I did not get any information about some of the bodies for which the Canadian taxpayer is responsible.

My idea of responsible government is so important, Mr. Speaker, that, as it is one minute to six, I will ask you to call it six o'clock. I have something else to say.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. POULIOT: May I refer again to the subamendment? The first part reads:

> And this house further regrets the failure of the government to adopt a monetary policy that would permit a maximum war effort without either increasing debt or reducing the standards of living below that necessary for maintaining maximum efficiency.

We have of course to consider the question of inflation, because we cannot forget what happened to rubles, marks and francs in consequence of inflation. But even with inflation it is impossible to improve the standards of living without increasing debt, and we have the example of the United States of America, where marvels have been accomplished for the unemployed, but not without increasing debt; and, as every hon. member knows, the debt of the United States is the largest of any country in the world.

Mr. BLACKMORE: Why can it not be done without debt?

Mr. POULIOT: Therefore the subamendment is contrary to common sense. If put into practice, it would not work. In my humble view it is necessary to have a currency standard. When our mint was under the British government we had reports on coinage, but unfortunately, since the mint has become Canadian, we have not.

When all the gold reserve of the world is accumulated, concentrated and frozen in one country, the currencies of other countries are depreciated to that extent. What standard shall we have in the future? A possible standard is silver—and I cannot see how we could have any other precious metals than gold and silver as standards of currency. Platinum is, of course, a very rare metal, and no one could expect the standard to consist of diamonds or other precious stones. At any rate, a standard is needed. Whether in the future it will be silver we do not know, but we do know that if neither gold nor silver is accepted as the standard, then we shall have to go in for barter, and that is the primitive method of trading.

We must rely on trade and on trade moving both ways, and I congratulate the government warmly upon having sent a trade commission to south America. I wish every success to the minister who is going there. It is a step in the right direction. The monetary system should be looked at from the point of view that money is not the principal factor, being only the medium by means of which trade is carried on; and if anyone makes it the principal factor, he is making a great mistake. For these reasons it is impossible for me to vote for the subamendment.

May I say one word to my hon. friends to the extreme right. If they cite the Aberhart administration in Alberta as a success in the field of social credit they are quite mistaken, because the management of Alberta's business affairs by Mr. Aberhart has been more conservative than if it could have been in the hands of Sir Herbert Holt.

There is another point I wish to make and it is this. If the first part of the subamendment were deleted, I would vote for the second part, for this reason. In the Bank of Canada and in the Department of Finance we need, not economists but bankers—sound bankers—and I take this opportunity to offer my congratulations to the Minister of Finance (Mr. Ilsley), who honours me by listening to what I am going to say about him. I am going to pay him no mean compliment. May I say that he has intelligence—a thing we have not seen for five years in the heads of that department. In the second place, I believe he is sound-minded and I put him in the class of the late Jim Robb, whose budgets were always so well received by the country. The Minister of Finance can take my word for it that it is no mean compliment I pay him when I compare him with the late Mr. Robb, because Mr. Robb was a man of common sense. Indeed, he was a great man precisely because he had a great deal of common sense. He was no fool.

A great mistake has been made in finance in Canada. As I once pointed out to that

great financier who had become rich overnight—I refer to R. B. Bennett—the national debt is in a large measure the national wealth; and if a country pays returns upon an amount borrowed from Canadian citizens, these returns are the income of our fellow citizens. Therefore it is dangerous to reduce the rate of interest on either dominion or provincial loans; for, if the total amount of interest which is to be paid by the dominion and by the provinces is less, it means that the returns to those who have lent money to the Canadian exchequer, or to the exchequers of the provinces, as the case may be, will also be less, so that a certain amount of disturbance results. Of course, it is the policy that has been followed for some years, and in my opinion it was a great mistake.

Interest on bank deposits has been reduced, and interest on the shares—the return to the shareholders of the banks—is about the same. That also is a mistake. Take a person who has $20,000 in a bank. When the rate of interest was three per cent the return was $600; now the rate of interest is only one and a half per cent and the return is only $300. The result is that, owing to that reduction in the rate of interest on deposits, that person has to begin living on the capital itself, and little by little the deposit disappears from the account.

Mr. SPEAKER: The hon. member's time has expired.

Some hon. MEMBERS: Go ahead.

Mr. POULIOT: I thank the house for its indulgence, which brings a warmth to my heart.

Let me continue. Whether it is on the advice of experts or of plain-clothes men, I cannot say; but on the one hand the government pays less, the provinces pay less, and it means that John, Joe, Mary and the dear old widow Mrs. So-and-So will receive less. They receive less and have, therefore, to curtail their expenditure.

Mr. FAIR: How about the widow who has to pay that?

Mr. POULIOT: Well, I understood only the word "widow." You see, sir, it is elementary that one should look at both sides of the matter, but only one side is seen, the side of the government. Of course the country pays that, the provinces pay that, but the people of our country are poorer every time.

There is another thing I cannot understand. It is that the issuance of bank notes in Canada is guaranteed by the national reserve in gold and other securities. Of course the reserve must be in the hands of the institution that issues the bank notes; that is elementary. But with our experts—and this is a point I was going to make last session when I was answering one of my hon. friends on the extreme left and was interrupted by my hon. friend the Minister of Mines and Resources (Mr. Crerar) who is just coming in and whom I welcome; he did not seem to understand the point—on the one hand, the bank notes are issued by the Bank of Canada, and on the other, our national reserve in gold and securities is in the hands of an altogether different institution, the foreign exchange control board. How can the foreign exchange control board guarantee the payment of bank notes, "pay to the bearer," issued by the Bank of Canada? I cannot understand it, it must be very high finance.

At one time, according to the statute books of this country, it was necessary for a man to have ten years' experience as a banker to be deputy minister of finance. But now it is superfluous.

Banking is a science, and political economy is not. Banking is a science based on rules of experience; political economy is only a conglomeration of views concocted together. One may have one view, another may have another view, a third may have a different view, a fourth a different one again, but it does not mean that from all these views you will make a science. A science is definite, real knowledge. That is what I want for those who are in charge of this delicate problem of finance for this country.

If there were only the last paragraph of the subamendment, I would vote for it because I find that Canada is in a very dangerous situation by reason of the ill-advice that is given by some so-called experts both in the Bank of Canada and in the Department of Finance. And it is impossible to get any information about that. Last year I tried to get the telephone numbers of the Bank of Canada, and my hon. friend the Minister of Finance told me "No. 369;" that was repeated nine times. But it was No. 369, meaning that there were at least 369 telephones in that square building.

I have much more to say, but I will do so on another occasion.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I have already spoken on the main motion, and therefore will not have an opportunity to speak again in the course of the present debate if I do not take advantage of the present moment to do so. Possibly I shall not be violating the rules of the house if, in speaking on the amendment to the amendment, I confine my remarks to replying, in a very few particulars, to one or

two things that were said this afternoon by my hon. friend the leader of the opposition (Mr. Hanson). What I might wish to say with regard to what has been said by others can perhaps stand over for another time. But I believe my hon. friend would expect me to reply to him immediately, or at least in the course of the present debate.

Perhaps my hon. friend would let me begin my remarks at the place at which he concluded his. His last remarks had reference to the statement which I made in the house yesterday and which, much to my surprise, he characterized as quite unexpected and something much more critical. May I first of all say to my hon. friend that the reason why I made the statement I did yesterday, rather than wait until a later day in the session, was that on Thursday last when he asked me to give the house information with respect to existing conditions, he said that I ought to give the information either that day, or at the latest, "to-morrow", which was the word he used, "to-morrow" being Friday. I replied that I would wish to think over what I had to say before speaking on a matter so important and might wish a little longer interval of time. I was anxious to reply to my hon. friend just as soon as I could after he had made the request he did, not only to oblige him in that particular but also because I thought the statement which he made was one which called for a reply at the earliest possible moment.

The statement which my hon. friend made left in my mind, and I think in the minds of all hon. members, the impression that a condition existed in Europe at the present time, a condition which, as he expressed it himself, was very much worse than it had been at any time since the fall of France. We all know that at the time of the fall of France the condition was as bad as it could possibly be. Nothing could have been more serious than the situation was at that particular time.

My hon. friend asked me to make statements of a specific character. He is right about one sentence of what his request contained; it was:

> I would request him to indicate what further, if anything, Canada can do at this juncture towards aid and assistance, whether it be in men, materials, supplies or equipment.

I felt that the statements which had been made by myself and my colleagues in the course of the present debate had answered that question in very large part before it was asked, inasmuch as they set forth a programme which the government is doing its utmost to carry out, and which I think all will agree is as extensive as could be expected at this particular time. But I did conclude by saying that I thought the situation demanded all that all of us could do. I wish to say at once that I think the time has come when people everywhere throughout Canada should realize that they must examine their own consciences, as well as seek to look into the conscience of the government, to understand what service they can and ought to render at a time as critical as the present. Each man or each woman in Canada knows what he or she in his or her present circumstances can do to assist Canada's war effort. Some can assist by saving, others by lending; some can assist by working in one direction, others by working in another direction. The time has come now when it is for every man or woman to ask himself or herself, "How can I where I am, and where I may find it possible to be, best serve in this great crisis; how can I serve my country and how can I serve humanity itself?" because it is the existence of civilization as we understand it that is at stake at this time.

The government is putting forth all the effort it possibly can, as a trustee of the people. The government's task is to take account of the fact that it is dealing with the funds of the people of Canada. It is not dealing with matters that are the personal property of its individual members. The government is a trustee, having to discharge duties on behalf of the people of Canada as a whole; and in discharging those duties it has to have continually in mind its obligation of trusteeship with respect to what can be done at this stage, what may have to be done to-morrow, and what may have to be done at a still later time.

Here is the specific statement my hon. friend wished me to make. These are his words:

> . . . in my view, in the view of many hon. members of this house, and I feel quite certain in the view of many people in Canada, the war situation in Europe is more serious to-day than at any time since the fall of France. The virtual destruction of the cities of Birmingham, Bristol and Southampton, the loss of shipping as evidenced by press reports, and in particular the utterances of the Marquess of Lothian, his majesty's representative in the United States, particularly with respect to finance, indicate the seriousness of the position.

Then my hon. friend goes on to say:

> Therefore in my view the Prime Minister should make a statement to the house and the country, if not to-day then not later than to-morrow, and tell the country just what the exact position is; because it will be understood that he has access to information which we have not. Let him tell the house and the country how serious the position is or, if we are wrong in our views, how good the position is. . . .

I ask hon. members who listened to the statement I made yesterday if I did not in

every respect try to follow literally the request of my hon. friend. I tried to tell the house how good I thought the situation was. I also tried to tell the house how serious I thought the position was. I do not think I over-emphasized the one or the other. I did direct particular attention to the inference that could be drawn from my hon. friend's words, because later on he repeated them, when he said:

> .. . I do feel that the situation to-day in the theatre of war over there is just as serious as it was at the time of the fall of France, and we are all very uneasy about it.

I do not feel that way, and I could not reply to my hon. friend that I agreed with him in that. To-day my hon. friend says that in my reply I agreed with him that the situation was serious, and that he could not understand why I went further in the statement I made yesterday. Here is what I said in reply to my hon. friend, quoting the words that he would wish quoted:

> I agree with my hon. friend in his view that the situation is a serious one. I think anyone reading the press would gather that opinion. I would also say that such information as the government itself is receiving the press would appear to be reflecting accurately. Any statement that I may have to make will be practically in accord with what has already appeared in the press.

What did my hon. friend say when I concluded my statement yesterday? He said I had not told the house anything the house did not know or anything that had not already appeared in the press. I fail therefore to see in what I said where there was anything that should have called forth the remark my hon. friend made in referring to the statement I had given. The hon. gentleman said that, recalling what I said on Thursday last, he felt a sort of sense of frustration as I was speaking yesterday; that he wondered which was Doctor Jekyll and which was Mr. Hyde. I would say to my hon. friend that I have been wondering what could have brought to his mind that work of fiction by Robert Louis Stevenson on the strange case of Doctor Jekyll and Mr. Hyde; and I have come to the conclusion, since my hon. friend spoke about what Mr. Brockington had said as a result of his close association with me, that he must have had in mind some of the correspondence that had passed between Mr. Brockington and himself, before making the remarks he did in the house this afternoon. I do not know whether my hon. friend regards the correspondence that passed between Mr. Brockington and himself as confidential. I do not think he does, because he referred to it this afternoon and, indeed, quoted a passage from it.

Mr. HANSON (York-Sunbury): No.

Mr. MACKENZIE KING: Yes; my hon. friend did make reference to it.

Mr. HANSON (York-Sunbury): I referred to it, but I did not quote it.

Mr. MACKENZIE KING: I thought my hon. friend quoted what he had said about Mr. Brockington's oratory. At any rate my hon. friend is aware that if any hon. member refers to correspondence in debate, he must be prepared to table the correspondence. The correspondence which my hon. friend had with Mr. Brockington started as long ago as November 13. It is on the paper of the House of Commons, office of the leader of the opposition. It does not bear the words "private" or "confidential," nor do these words appear on Mr. Brockington's reply. I may say that I knew nothing of the text of this correspondence before my hon. friend made his statement this afternoon. I had heard that my hon. friend had asked Mr. Brockington about the source of his information, after he made his statement at Philadelphia, and that Mr. Brockington had made a reply, but I never discussed the matter either with Mr. Brockington or with my hon. friend. That was a natural course for the leader of the opposition to follow, if he was in doubt on any matter; to seek to get the exact information. But what did my hon. friend say in his letters? First of all, he asked for a copy of the speech that was made at Philadelphia, and then he said:

> I assume, of course, that you were speaking in your own personal capacity, but if you went there either representing the government or in any manner interpreting the government to the American Bar Association it would be a matter of great interest to me, because I understand that you made the following declaration on that occasion . . .

In speaking to the house this afternoon, my hon. friend approached the subject from the point of view of Mr. Brockington's close association with myself, and sought to have the house believe that what Mr. Brockington said at Philadelphia was as a result of that close association, that he had been saying something there which differed from what I had given to my hon. friend as a statement of the facts of the case. Mr. Brockington immediately sent a copy of his speech to the leader of the opposition, and my hon. friend thanked him for it and said:

> As a piece of sheer oratory, it is magnificent. I salute you, and congratulate you.

Elsewhere he went on to say:

> But I do wish you would write me and tell me frankly what you had in mind when you spoke, near the end of your speech, of "a pact between your country and mine by which you

agree to defend us in certain eventualities and we agree to defend you," and what you know, for I was assured on August 20 by the Prime Minister that up to that time there were no commitments and I have not heard of any since.

So my hon. friend admits that I had given him the assurance that there were no commitments at the time of the Ogdensburg meeting. I repeated that statement this afternoon. My hon. friend had the best of reasons for not doubting that the statement I had made to him was other than wholly correct. Let me read what Mr. Brockington said in his reply:

I had no conversation with the Prime Minister concerning what I intended to say or should say. I, of course, asked him if I might take a few days holidays to attend a meeting in my private capacity.

And later:

With reference to the language and subject matter of the sentence which you question, I had and have no knowledge of the conversations at Ogdensburg or of any cognate conversations or transactions before or since other than that already made public and available to any Canadian citizen in the Canadian press. Any error or misstatement, or misinterpretation, therefore, in my remarks must be entirely attributable to me. I accept full responsibility —no one else can share it or be charged with it.

Mr. NEILL: What date?

Mr. MACKENZIE KING: The date is November 15. I do not think anything could be plainer than that. I think Mr. Brockington was wholly honourable with my hon. friend, but I must say to him that when he had this correspondence in his possession, and had the assurance that he did have from me, and had, in addition, the assurance he received from Mr. Brockington as to the source of his information, this afternoon as he spoke of the close association with myself as having possibly led Mr. Brockington to give a different interpretation, and went on to refer to his friend and mine as possibly having been influenced by the walnuts and the wine—referring to a gentleman he knew to be most abstemious—I began to wonder whether it was Doctor Jekyll or Mr. Hyde who was speaking.

May I now pass to another remark of my hon. friend to which I wish also to take strong objection. And may I say to him, and this in all kindliness, that I believe sometimes my hon. friend speaks without fully realizing the implication of his words.

Mr. POULIOT: Hear, hear.

Mr. MACKENZIE KING: I do not exempt myself from doing that at times. We are all prone to do it. But I do say to my hon. friend that holding the positions he and I hold at this very critical time, we owe it to ourselves and to the country to be most careful about the words we use in stating matters which relate to this all-important situation.

My hon. friend was referring to Canada's war effort, and to an impression concerning it which, he says, exists in Great Britain. I must say I was very much surprised at the remark of my hon. friend. I thought I had his exact words before me, but I believe I can recall them almost exactly. They were to the effect that from information he had received from the other side of the water there was a feeling in England that Canada is seeking to make money out of our war effort. I ask my hon. friend just to think about the significance of those words. That is not an attack on the government; it is an attack on the people of Canada. That is a reflection upon the war effort of Canada as it is being put forth by the producers, by manufacturers and by all the men and women in this country who are seeking to do their part toward the winning of the war.

My hon. friend tells us that, despite all we have been seeking to do—and I use the term "we" in the sense of the people of Canada—that in England there exists the impression that Canada is seeking to make money out of her war effort. I say that is unfair to the people of England. I say it is unfair—yes, doubly unfair to the people of Canada. I would go farther and say that it is a libel upon Canada that anyone should either express or repeat words to that effect—anyone who has any understanding or knowledge whatsoever of the war effort of this country.

I think I am as much in touch with leading persons in the old country as is my hon. friend the leader of the opposition. Not a day goes by that I do not receive some communication from the old country in the form of letters or telegrams in reference to the views entertained there with respect to Canada's war effort. Hardly a day passes that I do not meet someone, or converse with someone who has just come from the old country or who has been there and just returned home; and I say to my hon. friend that the word they most use with respect to Canada's war effort is that it is magnificent —that is the word. And I say to my hon. friend that if anyone expressed to him views such as he indicated this afternoon, he did not know what he was talking about.

My hon. friend has said that we should do all we can to dissipate that view. May I say to him that I have not heard another citizen in Canada express a view of the kind. It is my hon. friend who has put forth that view, and he is the only one who has done so.

I want the people of Canada to know that no one in England has any opinion of that kind with respect to Canada's war effort.

I come now to the other side of my hon. friend, the better side. A few days ago my hon. friend spoke of the desirability of the house appointing two standing committees. I believe he made that suggestion on November 12, when he first spoke in this debate. His words were as follows:

Knowing of this feeling I am impelled to propose to the government that it cause to be set up immediately two select special committees which will be charged with the responsibility and the duty of investigating and reporting to this house factualy, objectively and truthfully, without bias and without partisanship—and I have no doubt that is possible—what is our exact position (a) with respect to our fighting forces, military, naval and air; and (b) with respect to the production and delivery of all the important materials, equipment and supplies necessary in our war effort, so that the Canadian people may know the truth. Before such committees ministers could appear and be subject to questioning.

My hon. friend concluded by saying:

I am willing with some of my colleagues to meet with the Prime Minister and some of his colleagues so that we may consider the whole proposal, in an honest effort to arrive at a conclusion.

May I say that since making that statement, my hon. friend and two of his colleagues have met with me and two or three of my colleagues to consider the matter there referred to. I wish to say to him and to the house that no approach to the subject could have been more helpful or could have been better in every respect than that which he and his colleagues made in confidence with the government in this matter. We spoke quite frankly to my hon. friend and his colleagues with respect to the difficulties which surrounded the procedure of dealing with war expenditures, questions of production and distribution—deliveries, I believe, was the word he used—in any standing committee of the house which might be holding its proceedings in public and which during part of the time might have to ask that the proceedings be held for some time in camera. We particularly pointed out the difficulties of imparting to parliament or to any committees certain information.

I will mention to the house just what one of those difficulties is. We have been asked by the British government—and this is a request they have made to governments in all parts of the British commonwealth; it is not one which has been made to us alone; it is a matter of which the British government itself has taken full account—to avoid, if possible, the disclosure of numbers, the disclosure of amounts, the disclosure of quantities, the disclosure of anything in public which would help to give the enemy an appreciation of the strength or lack of strength of the forces opposing him.

I think every one can see the reasonableness of a position of the kind. But it does raise a very difficult situation for the government. If we are not on the horns of a dilemma, we are at least in the matter of information sailing between Scylla and Charybdis all the time. We are either too near the rock of Scylla in giving more in the way of information than we should, or we are drifting to the other side toward the whirlpool of Charybdis and are being accused of withholding from the people of our country the information they are entitled to have. I can only put the situation as it is in its clear light before members of this house and before the country, and trust to the soundness of their judgment. That is the position we are in with respect to the disclosure of information that might prove to be harmful.

As I have said over and over again, it must be remembered in connection with this present conflict that it is not a matter of days, it is not a matter of months, but it is a matter of years. Information that we are giving from hour to hour and from day to day is being accumulated by those whose interest it is to do all they possibly can to destroy the British empire and every part of it. I believe our country is fairly free of those who have played the disreputable part which has been taken by fifth columns in other countries, but that we are wholly free of persons who are gathering up information to pass on to the enemy, sorting it out for them and telling them the significance of it, I do not for a moment believe. Therefore, we have to be scrupulously careful of what we say, having regard to human nature as we know it, and having regard to the situations as we know they have been in every land.

It is for that reason and for that reason only that the government hesitates to say to this house that it is prepared to have standing committees before which will be placed the exact position with respect to our fighting forces, naval, military and air. Let me illustrate: With respect to our air force, it would mean that we would have to tell how many planes we have been manufacturing, how many have been sent across the seas, how many airmen are being trained, when they are likely to leave Canada, how many have sons, et cetera, et cetera. I have, I am sure, only to mention this to have hon. members see its significance. Then, with

respect to the production and delivery of important materials, equipment and supplies necessary to our war effort, I have only to point out that to state in public what we have shipped and are shipping in the way of supplies, where they have gone or are going, is simply to give to the enemy the kind of information he is most anxious above all else to have.

I agree with what my hon. friend has said about the position of private members in this house. Every member is anxious to become more actively interested in Canada's war effort. I think one thing my hon. friend said this afternoon is very much to be emphasized. There is no greater part that hon. members can take in Canada's war effort than it is possible for them to play in their own constituencies where they are known and trusted. They can tell the people of their constituencies all that they possibly can with respect to the war effort and what they know is needed in order to make the war effort successful. But that is not enough. Hon. members are right in feeling that they would wish, that the house itself would wish to make its own contribution to the war effort in some way. The government, I can assure hon. members, is most anxious to have it do so in any way that is not going to make for confusion but will help to carry forward this tremendous task. I can assure hon. members that we desire their fullest cooperation.

This afternoon my hon. friend made a suggestion which appeals very strongly to me for more reasons than one; first of all, because of the proposal itself, and also because it is the procedure which on this very perplexing matter has been adopted at Westminster. In the parliament at Westminster the government has been faced with exactly the same situation we are faced with here. They have of course a much larger number of private members than we have in this House of Commons and their private members are as anxious to make their contribution as are our private members. They are on the firing line, and one can imagine the intensity of feeling there must be with respect to the desire on the part of every man to do what he can during the hours he is in parliament as well as when he is at home in his constituency.

The British government are making expenditures on a much vaster scale than we are, and human nature is the same in the United Kingdom as it is in Canada with regard to all classes and conditions of men and how they may act in respect of government contracts and large quantities of money and supplies at a time of war. They are just as anxious as we are to see that whatever is done is done openly, honestly and above-board and to bring to time summarily anyone who seeks to profit by opportunities which war conditions may afford. But they have not thought it advisable to set up standing committees of the character which was originally proposed by the leader of the opposition. They have however, established a committee on national expenditure which has been given certain powers and which has been functioning now for almost a year, having been set up on December 12, 1939. On November 7, 1939, Sir Archibald Sinclair, who was then leading the Liberal party in the House of Commons, asked the Chancellor of the Exchequer whether he could make any statement on the appointment of a committee on national expenditure on the lines suggested in a motion to which my hon. friend referred this afternoon.

Mr. HANSON (York-Sunbury): I read the order of reference.

Mr. MACKENZIE KING: This motion reads:

> That a select committee be set up, similar to that appointed by parliament in July, 1917, to examine the current expenditure defrayed out of monies provided by parliament for the defence services, including civil defence, and to report what, if any, economies, consistent with the execution of the policy decided by the government, may be effected therein.

Sir John Simon in his reply outlined briefly the measures already being taken to ensure economy, but added that he appreciated the desire of the house to make its own contribution to this end. He said:

> The government consider that this object would be best attained by setting up a select committee on national expenditure with terms of reference which would broadly follow those under which the select committee was set up during the last war. The select committee would deal with expenditure connected with the war whether civil or military.

He said that the committee would be set up at an early date, and the committee was set up on December 12, upon a motion being passed. Before I quote the motion, may I say that after careful consideration of the whole matter the government is prepared to introduce a similar motion into this house and to follow the procedure which has been adopted by Westminster with respect to war expenditure. As the leader of the opposition has rightly said, the committee on public accounts is not adequate at the present time to deal with the vast expenditures that have to be considered. The committee on public accounts has referred to it the report of the auditor general which contains expenditures of the previous year. My hon. friend, the

leader of the opposition, wants a committee which will have the power to review current expenditures.

May I say, speaking for myself and I believe for all my colleagues, that anything that is going to assist the government in seeing that the right control is exercised over the expenditure of monies in connection with this war will be more than welcomed by the administration. I want to add that whoever is appointed to such a committee ought to take his responsibilities very seriously. Great care will have to be taken in the selection of the personnel. If there is a genuine desire to do the thing that is helpful, I am sure that great good can come out of the existence of a committee of the kind. If, on the other hand, the committee is to be made an instrument for party warfare, I cannot conceive of anything that could be worse.

Mr. HANSON (York-Sunbury): May I interrupt my right hon. friend to say that nothing was further from my thoughts.

Mr. MACKENZIE KING: Quite so. I have not said that my hon. friend—

Mr. HANSON (York-Sunbury): I am not looking for scandal.

Mr. MACKENZIE KING: I believe that my hon. friend is wholly sincere in what he says. I would not have made the remark I did had I thought that he was not. But I repeat that if a committee of the kind were to be used as an instrument of party political warfare, I cannot conceive of a way of working greater injury to Canada's war effort. But a committee which takes its responsibilities seriously, and will assist the government in exercising a control over the expenditures which are being made, keeping on the government the responsibility for policy, but being free to make suggestions that will be helpful and constructive, should be of the greatest possible service. It was that kind of committee which on December 12 last was set up at Westminster, and this is the motion under which action was taken:

That a select committee be appointed to examine the current expenditure defrayed out of moneys provided by parliament for the defence services, for civil defence, and for other services directly connected with the war, and to report what, if any, economies consistent with the execution of the policy decided by the government may be effected therein.

I propose, Mr. Speaker, as soon as parliament reassembles after the adjournment, to introduce a motion in those words in this House of Commons. I say, after the adjournment, because I think hon. members will agree that we can much better begin establishing a select committee of this house at the moment of continuing its regular proceedings, rather than at the beginning of the Christmas recess or within a month of meeting shortly thereafter. I hope this assurance will meet with general acceptance.

In taking my seat, may I again thank my hon. friend and those who were with him for the manner in which they discussed this whole question with my colleagues and myself, and also for the constructive suggestion which he has made in this particular.

The house divided on the amendment to the amendment (Mr. Blackmore), which was negatived on the following division:

YEAS

Messrs:

Blackmore	Jonnston (Bow River)
Castleden	Kuhl
Coldwell	MacInnis
Douglas (Weyburn)	Marshall
Fair	Nicholson
Gillis	Nielsen (Mrs.)
Hansell	Quelch
Hlynka	Shaw
Jaques	Wright—18.

NAYS

Messrs:

Abbott	Donnelly
Anderson	Douglas (Queens)
Authier	Dubois
Bence	Dupuis
Bercovitch	Durocher
Bertrand (Laurier)	Edwards
Bertrand (Prescott)	Emmerson
Bertrand (Terrebonne)	Esling
Black (Chateauguay-Huntingdon)	Eudes
Black (Cumberland)	Evans
Black (Yukon)	Farquhar
Blair	Ferron
Blanchette	Fleming
Bonnier	Fontaine
Boucher	Fournier (Hull)
Bourget	Fournier (Maisonneuve-Rosemont)
Bradette	Fulford
Breithaupt	Furniss
Bruce	Gardiner
Cardiff	Gauthier
Cardin	Gingues
Casselman (Edmonton East)	Gladstone
Casselman (Grenville-Dundas)	Golding
Chevrier	Goulet
Church	Graham
Claxton	Graydon
Cleaver	Green
Cloutier	Gregory
Corman	Hanson (Skeena)
Coté	Hanson (York-Sunbury)
Crerar	Harris (Danforth)
Cruickshank	Hatfield
Damude	Hazen
d'Anjou	Healy
Davidson	Henderson
Dechene	Hill
Denis	Hoblitzell
Deslauriers	Homuth
Diefenbaker	Howe
	Hurtubise

Ilsley	Mayhew
Isnor	Michaud
Jackman	Mills
Jean	Mullins
Jutras	Mulock
King, Mackenzie	Neill
Laflamme	Nixon
Lafontaine	O'Brien
Lalonde	O'Neill
Lapointe (Quebec East)	Parent
Leader	Perley
Leclerc	Picard
Leduc	Pinard
Leger	Poirier
Little	Pottier
Lizotte	Pouliot
Lockhart	Power
McCann	Purdy
McCuaig	Reid
McCubbin	Rennie
MacDiarmid	Rhéaume
Macdonald (Brantford City)	Rickard
Macdonald (Halifax)	Roebuck
Macdonald (Kingston City)	Ross (Calgary East)
McDonald (Pontiac)	Ross (Hamilton East)
McGeer	Ross (St. Paul's)
McGibbon	Ross (Souris)
McGregor	Rowe
McIlraith	Roy
McIvor	Ryan
MacKenzie (Lambton-Kent)	Sanderson
MacKenzie (Neepawa)	Senn
McKinnon (Kenora-Rainy River)	Sissons
MacKinnon (Kootenay East)	Soper
McLarty	Stirling
MacLean (Cape Breton North-Victoria)	Stokes
McLean (Simcoe East)	Sylvestre
Macmillan	Taylor
McNevin (Victoria, Ont.)	Telford
McNiven (Regina City)	Thauvette
MacNicol	Thorson
Marier	Tripp
Maybank	Tucker
	Turgeon
	Tustin
	Veniot
	Vien
	Ward
	Warren
	Weir
	Whitman
	Winkler—174.

Mr. SPEAKER: The question is on the amendment.

Mr. JEAN FRANÇOIS POULIOT (Temiscouata): I have just a few words to say about this amendment. I express my great surprise about the way in which it is drafted. The hon. leader of the opposition (Mr. Hanson) follows the practice of his former leader and flees away when I start to speak. I remember the time when "R. B." was leader of the Tory party; as soon as I rose he went out, and the same practice is followed by his illustrious successor.

But, sir, I will take the amendment as it is; I find it an insult to the intelligence of the Canadian people, and especially the farmers. Here is that masterpiece of Toryism—I put on my glasses and I will read between the lines. They all run away, they are all afraid, they are hares, they run from the battle, they are all from Taranto. Here is the amendment:

> . . . that this house regrets that the government has continued to soothe the Canadian people regarding the war effort of the nation, thereby creating a false sense of security when a clear-cut call to action is desperately needed.

What does that mean? Nobody knows. It reminds me of the time when Mr. Bennett's Minister of Labour was introducing some legislation, and when I asked him the meaning of that legislation he was unable to answer; he did not know. When I asked the leader of the opposition to-day for the meaning of the words "realistic attitude" that he used in his speech, he was just as dumb as Wesley Gordon was when I was asking questions of him in the glorious time when Mr. Bennett was in supreme command.

The Canadian people want information, but information that can be useful, useful to us as members of parliament for the good of the soldiers, sailors and airmen of this country. A distinction should be made, and it shall be made, between a check on the total expenditure on the war and information about the movements of the troops and so on. The hon. gentleman did not make any such distinction.

I do approve, however, of one of the suggestions of the opposition, that of having a secret sitting at which members of parliament could be fully informed with regard to all phases of our war effort.

Part of the information they insist on getting is information that should be given, but in camera, not in public.

I am surprised that of the great men in the front line of the Tory party none has added very much distinction to the discussions that have taken place in this chamber. What are the words of the amendment?

> We respectfully submit to Your Excellency that this house regrets that the government has continued to soothe the Canadian people . . .

I could read what the dictionary says about the word "soothe." It mentions "to soothe a wound," but this government did not wound the Canadian people. The wound was inflicted by the Bennett regime, of which the leader of the opposition was a member for a few years. This government has had to patch up that wound. I wonder whether I should have used the word "soothe" when the leader of the opposition was turning his back to you, Mr. Speaker, and making some sounds across the floor of the house. No one knows what is meant by that word, and I fear that something is wrong; I fear there was

some malicious intent on the part of someone in not explaining it to the leader of the opposition. Then the amendment continues:

. . . thereby creating a false sense of security. . . .

I ask you, Mr. Speaker, how this government creates a false sense of security. Again nobody knows what that means; the leader of the opposition and all the marvellous speakers of the Tory party who have bored this chamber for so long have not explained that. Then it goes on:

. . . when a clear-cut call to action is desperately needed.

Was it a clear-cut call to action when, at Charlottetown, the leader of the opposition betrayed information that the British government had asked to be kept secret? My right hon. chief was amazed that the hon. gentleman should disclose such information.

Then there is the hon. member for Davenport (Mr. MacNicol), who is gifted with the eloquence of an auctioneer, who wanted to launch a convention to replace the present leader of the opposition. It is not a year since the hon. gentleman was chosen, and already they wish to replace him. Whom could they get? The leader of the opposition tried another idea in Quebec; he sent all the defeated Tory candidates a questionnaire asking what they thought of him. I could tell him what was said about him by the two official organs of the Liberal party in the province of Quebec, *Le Canada* of Montreal and *Le Soleil* of Quebec. I conceived it to be my duty to include those quotations in a letter which was published in the best weekly issued in Canada, *Le Saint Laurent* of Rivière du Loup. This is what *Le Canada* of September 12 had to say about the hon. gentleman, who was one of the nonentities of the Bennett government:

Mr. Hanson is against everything, even common sense.

I might translate that roughly as "Mr. Hanson is against everything, even common sense." Later the Minister of National Defence for Air (Mr. Power) stated that Hitler was the latest recruit to the Tory ranks; a fine compliment. Through the medium of the local newspaper I said to my electors:

In advising the prime minister not to adopt the Conservative leader's suggestions, your representative sought to avoid for his leader the embarrassment of accepting counsel from a tory "who is against everything, even common sense" (according to *Le Canada*) and "who has Hitler as a recruit" (according to the Minister for Air).

Then the great Quebec Liberal organ, *Le Soleil,* had this to say:

The tory leader shows his true calibre.

Mr. Hanson's importance derives principally from the position he is occupying temporarily at the House of Commons, that of acting leader of the opposition. In this capacity, notwithstanding his harum-scarum nature, he is treated with respect by the Prime Minister, the Right Hon. Mackenzie King, who informs him, on occasion, of facts and projects of a confidential nature. Mr. Hanson has just taken undue advantage of this privilege, in the hope of putting himself in the limelight and of striking a treacherous blow at the government.

(Editorial of Oct. 12.)

We have not sufficient space to reproduce here all the editorials *Le Canada* has since devoted to the leader of the Conservative opposition. Here are the choicest titles: Oct. 14—"Mr. Hanson at the head of his class: first in the Fifth." This editorial purports to state that if Mr. Hanson had spoken thus in England he would now find himself behind the barbed wire of a concentration camp, as leader of the fifth column. On October 16, *Le Canada* calls him a "circus clown" and on October 18, the same newspaper wonders: "What is delaying Mr. Hanson's resignation?" This edition also contains, on the same page, a second editorial on the subject. It is entitled: "De Profundis", and concludes with: "Here lies Mr. Hanson."

The translation of the last sentence is "Here lies Mr. Hanson." I attach no great importance to that, but the newspapers of my province have recited the *de profundis* on him; let him now rest in peace. But there is something to this amendment; the second paragraph reads:

And this house further regrets that despite the serious condition of agriculture no effective action is proposed to alleviate that condition and to ensure to the Canadian farmer a just, fair and reasonable return for his products.

I do not wish to do what I blame others for doing, Mr. Speaker; I do not want to turn my back to the chair. We must remember the time when R. B. Bennett was Prime Minister, the time of the iron hand. We discussed butter in this house; butter, which had been the subject matter of lengthy discussions on the hustings throughout the country; butter, that golden treasure which was melting away and returning no benefit to the farmer. The house met; the then Minister of Agriculture was the late Mr. Weir. The Bennett government introduced some legislation. They put a high tariff on butter; and the higher the tariff went, the lower fell the price of butter. My hon. friends behind me remember those days. We were asking questions of the then Minister of Agriculture. I was asking R. B. Bennett who had imported such vast quantities of

butter from New Zealand and Australia, because I had information, which I knew to be accurate, that this was being done by the Tory party.

I am glad to welcome my hon. friend the leader of the opposition back to his seat. He must remember also that when I asked his then leader, the leader of the Tory party, who had imported such vast quantities of butter, causing prices to fall lower and lower, he would not answer. It was a secret; apparently it was impossible to learn who had done that. But everyone knew that the Tory party had put some money in the market for speculation, and that the lower the prices of commodities went, the higher became the profit for the Tory electoral fund. Butter was purchased by the Tory party in Australia and in New Zealand, so that the price of our own butter fell. Hon. members opposite, who were then sitting in the house, will recall that when I asked questions of the then Minister of Agriculture he was unable to answer them—and neither was R. B. Bennett himself, or Wesley Gordon, or Sir George Perley, or Mr. Sauve, the then Postmaster General, or Mr. Duranleau, or the present leader of the opposition when he was Minister of Trade and Commerce.

These are the gentlemen who say that farm products are not selling well enough to-day. What is their record? Can we ever forget it? In those days farmers received the rock-bottom price for butter. That drop in price began in the first year of the Bennett regime, due to the high tariffs which were then advocated for the relief of the farmer. They did not dare speak about it afterward.

Then there was an imperial conference of some kind before which Mr. Bennett spoke about the possibilities and potentialities of hogs and bacon. Well, he never had success such as the present Minister of Agriculture (Mr. Gardiner) has had, in selling to Great Britain large quantities of bacon, for which the farmers will receive reasonable prices. We want to have some real help for the farmers. We find it strange—to use a mild expression—to hear hon. members opposite refer again to the plague which may affect the farmers, especially in view of the fact that conditions were so bad under their management. "A just, fair and reasonable return for his product"—that was the language used by all Tory spokesmen on the hustings during the campaign of 1930.

I see in the house many of my hon. friends who defeated Bennett ministers. For instance, I see the hon. member for Kamloops (Mr. O'Neill) who conducted a wonderful campaign, and did particularly well in his constituency. He was victor in the cause of Liberalism. And there were so many others I cannot name them all. They did well because the people—farmers and labour—were fed up with the policies of the Bennett regime.

Someone may tell me that this kind of talk is untimely, that it is uncalled for in a time of war. But my point is that those who were incompetent in time of peace cannot be geniuses in time of war, just because we are at war. Those who have been no good in ordinary times cannot be excellent in extraordinary times.

I am reminded of what was said to me about the Tory leader in the senate on an occasion when he was being praised most lavishly. The person speaking to me was relating that the Tory leader in the senate had been born under a special star, and that his gifts were as numerous as the stars of the sky and the sands of the sea. I was surprised, and asked for more detailed information on the point. I said, "By the way, what have been the great accomplishments of that illustrious gentleman? Can you name in his whole political career a single accomplishment which has served the Canadian people, one piece of legislation which has been useful to the country?" "Well," he said, "he has been very unlucky." That was the description of the leader of the Tory party in the senate by one of his best friends.

Why should we pay any attention to the demands which come from the other side? The people in this country say that the Liberal party has a mandate to govern in war time, and we ought not to pay any attention to demands by the leader of the opposition or any of his satellites. The government should carry on the war effort boldly and honestly and get rid of all those Tories who are a perpetual nuisance and who are committing sabotage in the departments in which they hold important positions. Get rid of the Tories—that should be our watchword. Get rid of all the Tories who infest some of the war departments, and then we will receive no blame from them. Why do they blame the government? They do so because it is too tolerant with them. The government does not deprive them of their positions. Well, let us put them all out; let us put all the Tories out. Let us get rid of them, in order that we may have a sane administration in all departments of government in Canada.

Of course they are greedy for more power. The leader of the opposition knows what I mean. I could name some Tories who have

insulted my leader and members of the government, but who are now deciding from whom goods for soldiers shall be bought. Everybody knows that. When there is a leak in the Department of National Defence, it comes from a Tory who is there—and I could name him. They are there, and they are impudent. Not only that, but when Tories are in power, Liberals can get nothing; no Liberal can be appointed. But when the Liberals are in power, we hear the Tory members saying, "Oh, let us have no politics; there should be no patronage." And they raise their hands, as if they were praying, and one would be led to believe that they are praying all the time.

We know that the people of Canada have judged them; they had enough of their rule. My only suggestion is that the government should keep away from bad company. I ask the government to pay no attention whatever to any suggestion from the leader of the opposition respecting four months of training or anything else. I presume his suggestions are made in good faith, but they are inspired by those in the department who desire more power so that they may betray the ministers they should serve faithfully. That is all.

The house divided on the amendment (Mr. Hanson, York-Sunbury), which was negatived on the following division:

YEAS

Messrs:

Anderson
Bence
Black (Cumberland)
Black (Yukon)
Blackmore
Boucher
Bruce
Cardiff
Casselman (Grenville-Dundas)
Castleden
Church
Coldwell
Diefenbaker
Douglas (Weyburn)
Esling
Fair
Gillis
Graydon
Green
Hansell
Hanson (York-Sunbury)
Harris (Danforth)
Hatfield
Hazen
Hlynka
Homuth
Jackman
Jaques
Johnston (Bow River)
Kuhl
Lockhart
McGregor
MacInnis
MacKinnon (Kootenay East)
MacNicol
Marshall
Nicholson
Nielsen (Mrs.)
O'Brien
Perley
Quelch
Ross (St. Paul's)
Ross (Souris)
Rowe
Roy
Senn
Shaw
Stirling
Stokes
Tustin
Wright—51.

NAYS

Messrs:

Abbott
Authier
Bercovitch
Bertrand (Prescott)
Bertrand (Terrebonne)
Blair
Blanchette
Bonnier
Bourget
Bradette
Breithaupt
Cardin
Casselman (Edmonton East)
Chevrier
Claxton
Cleaver
Cloutier
Corman
Coté
Crerar
Cruickshank
Damude
d'Anjou
Davidson
Dechene
Denis
Deslauriers
Donnelly
Douglas (Queens)
Dubois
Dupuis
Durocher
Edwards
Emmerson
Eudes
Evans
Farquhar
Ferron
Fleming
Fontaine
Fournier (Hull)
Fournier (Maisonneuve-Rosemont)
Fulford
Furniss
Gardiner
Gauthier
Gingues
Gladstone
Golding
Graham
Gregory
Hanson (Skeena)
Healy
Henderson
Hill
Hoblitzell
Howe
Hurtubise
Ilsley
Isnor
Jean
Jutras
King, Mackenzie
Laflamme
Lafontaine
Lalonde
Lapointe (Quebec East)
Leader
Leclerc
Leduc
Leger
Little
Lizotte
McCann
McCuaig
McCubbin
Macdonald (Brantford City)
Macdonald (Halifax)
Macdonald (Kingston City)
McDonald (Pontiac)
McGeer
McGibbon
McIlraith
McIvor
MacKenzie (Lambton-Kent)
MacKenzie (Neepawa)
McKinnon (Kenora-Rainy River)
McLarty
MacLean (Cape Breton North-Victoria)
McLean (Simcoe East)
Macmillan
McNevin (Victoria, Ont.)
McNiven (Regina City)
Marier
Matthews
Maybank
Mayhew
Michaud
Mills
Moore
Mullins
Mulock
Neill
Nixon
O'Neill
Parent
Picard
Pinard
Poirier
Pottier
Pouliot
Power
Purdy
Reid
Rennie
Rhéaume
Rickard
Roebuck
Ross (Calgary East)
Ross (Hamilton East)
Ross (Middlesex East)
Ryan
Sanderson
Sissons
Soper
Sylvestre
Taylor
Telford
Thauvette
Thorson
Tripp
Tucker
Turgeon
Veniot
Vien
Ward
Warren
Weir
Whitman
Winkler—140.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Slaght	Aylesworth
Gray	Desmond
Ross (Moose Jaw)	Fraser (Peterborough West)

Mr. J. S. ROY (Gaspé): Mr. Speaker, like our beloved sovereigns who, every day, disregarding great dangers, convey their most compassionate consolations to the unfortunate victims of the London bombardments, Her Royal Highness, Princess Alice, wife of our most distinguished Governor General, has also shown commiseration for the suffering which has so cruelly stricken the population of the Magdalen islands, which bear the heavy brunt of these war consequences. Her merciful appeal to the population of Canada in her speech to the Women's club on October 7 last has warmly cheered and deeply moved the hearts of these unfortunate people. In their name I have the honour to extend to her royal highness the tribute of their most respectful and sincere gratitude.

Such examples of great heroic magnitude and Christian charity, as given by Buckingham Palace and Rideau Hall, are an infallible token of survival in the most crucial tests. They strengthen the ties of a people to the present regime and the liberties they enjoy under it by convincing them more firmly that, between two contending forces the British might, based on the immutable principles of love and justice, will assuredly triumph over the other force, sustained as it is by hate and by the tyrannical yoke of a despotic Gestapo.

Mr. Speaker, if I felt I should address this house in English, the language spoken by the majority of hon. members—and in spite of difficulties my pleasure in doing so is very great—it is as a tribute to my English-speaking electors of Gaspé and the Magdalen islands, whose great patriotism in the present war I wish to praise.

The various ministers of the crown have eloquently submitted to us accounts of our war effort. May I submit to this house another account, that of the contribution to that same war effort of the most ancient section of the country, the county of Gaspé and the Magdalen islands, which I take great pride in representing here.

The patriotism of our population has not weakened since 1914, when it has given more than one complete regiment. The long and glorious list of its sons who died on the field of honour, and whose names one can read on the pedestal of the monument erected at Gaspé in their memory, is sufficiently eloquent to render unnecessary adding anything to its testimonial.

At the outbreak of the war, in September, 1939, men of all ages and coming from all walks of life volunteered their services in numbers so large that they could not all be accepted at once. Of over 1,300 volunteers serving in the army, and a few in the navy. there are many French-Canadians, but the majority belong to the Loyalist stock and to the other English-speaking Gaspésians. The population of only 8,000 of Gaspé and the surrounding district has alone supplied some 600 volunteers. At Grosse-Ile and Entry island to the Magdalen islands, all the young men and many married men have volunteered their services and are serving in the army or in the navy. If we count those from the other islands, they are in all about 200 in number.

In proportion, these enlistments from Gaspé and the Magdalen islands must hold the record for the whole of Canada. Had all parts of the dominion furnished volunteers in the ratio supplied from Gaspé, Canada to-day would have for overseas service an army of over 320,000 men. And above this contribution in men, our population, according to its means, has heavily subscribed to the war loan and has contributed to welfare societies such as the Red Cross.

This readiness of the Gaspésian people in helping the country during critical hours can be explained by the peculiarities of their character in constant contact with dangers which are their daily companion and allurement.

One anecdote, out of thousands, will convince and help hon. members in reaching a deeper understanding of this class of labourers whose valour and merits are generally too much ignored. I will relate a drama of the sea which happened at Rivière-au-Renard, on September 28, 1936.

On that day the fishing was good and fishers had kept the sea until they were compelled by a tempest to come back to the shore, but one boat continued to battle the high seas. It was the two brothers, Phileas and Peter Tapp, reputed for their courage and ability, who were still fishing.

At three o'clock they decided to make for the shore. Three miles from the shore their overladen boat was capsized by a huge breaker and the fearless fishermen were plunged into the sea.

On the shore their comrades and other people witnessed in consternation this horrible drama. The infuriated sea, lashed by a strong wind, which is customary on the coast in

the fall, seemed a challenge to the bravery of these men to come to the rescue of their brothers.

However, the sad victory of the sea was not to be complete. On the crest of a wave we could see the two castaways clinging, one to the stern and the other to the sternpost of the capsized boat, with the grip of their last hope. Four young and sturdy fishermen, Jules, Maurice, Isaac Dufresne and Ephrem Couillard, fortified by their courage, succeeded in launching another boat a few miles below and in reaching the scene. After three hours of struggle this boat was wrecked as it reached the shore. But Phileas Tapp was saved, although, unfortunately, his poor brother was lost.

Even on the battlefields could feats of such heroism and positive bravery be accomplished? The whole history of Gaspe and the Magdalen islands is made up of these and still more pathetic episodes. Every autumn we have to deplore these disasters and often would-be rescuers perish in trying to help imperilled fishermen.

Unfortunately, this admirable population, so full of virtue and of the most generous patriotism, is ill-paid for its devotion and sacrifice. The Magdalen islands settlement is battling against the pangs of the worst misery. Precarious as their situation was last summer, it has now become desperate. May I tell the house what this situation is and what has caused it.

The lobster catch was good enough, but the sale at the minimum price fixed by the government resulted in a deficit. The codfish catch was sold at a better price, but the sale was very small and that of mackerel was a lamentable failure. A few thousand barrels were sold at a loss and the rest, some 20,000 barrels, is a complete loss. About 60,000 boxes of smoked herring are on dealers' hands, if not sold at a loss.

This is the balance sheet of the expired season which has left the fishermen in debt and without any means to secure such essentials as flour and fuel to survive during seven long winter months, when there is no possibility whatever on the islands of earning a single cent. The old saying, "the end of fishing is the end of eating," is now an acute actuality.

To these distressing prospects is added another one. In a few days, navigation with the islands will be closed and it will be practically impossible to come to the rescue of this population before spring.

The Red Cross made a survey in the beginning of November in order to give assistance, but it is not likely that this society will be in a position to give enough assistance in fuel and flour to meet the needs. It must be remembered that there is no fuel whatever in the islands. Meanwhile, what are the governments, federal and provincial, doing to relieve this distress? Have they answered the numerous calls for help from local authorities, the press and, yes, from Her Royal Highness Princess Alice? Have not these people, who are a component part of confederation, paid their taxes and given soldiers for the defence of the country and of democracy?

Moreover, is it not true that the state is helping other classes of producers whose product is undersold? The law of the land permits the granting of direct relief to destitutes and the spending of moneys for relief works. Why is it that these two remedies have not been applied since the government has not deemed it proper to accept the advice of those who advocated a minimum price on fish, as on wheat, or the purchase of the surplus as has been done for apples?

There are two reasons which explain the indifference and lack of sympathy of the two governments for these destitute fishermen. The first is probably the fact that these fishermen are not sufficiently known, nor are their merits appreciated. The second is, perhaps, that the county is represented in the Ottawa and Quebec parliaments by an opposition member. In the first case the anecdote I related a few moments ago should help in reviving a more fraternal sympathy for these people. In the second case, may I say that the time is ill-chosen to exercise sanctions of a partisan nature against a population which accepts so generously its great share of the war sacrifice.

A population so well bred, and answering with such readiness the call of duty, should not be ignored and chastized for its political opinions or abandoned to its fate when abnormal circumstances drive it into destitution. Let the government take urgent and necessary measures to relieve most distressing cases, and let it also strive to remove the causes of all these evils.

Coming to the speech from the throne, may I now discuss the most essential aspect of our war effort. One of the striking notes of the government's policy, in recent days, is the increasingly insistent appeal to national unity, and the tribute to the loyalty of the province of Quebec. It is well and fair to extol our loyalty; but care should be taken not to give the impression that our loyalty has been revived or is of recent date. No; our loyalty is not of yesterday, nor is it any deeper than it was in the past.

The mention of such illustrious dates as 1787, 1812 and 1849 is sufficient to recall the fact that the retention of Canada under the British allegiance is due to the loyalty of the

French-Canadians to the British crown. I need not point out the value of this service rendered then by my race. I may say, however, it has made confederation possible, and justified the fathers of confederation in saying that there are no victors and no conquered race in Canada.

As a vivid example of our loyalty and patriotism, one can mention the admirable attitude taken in the present war by the greatest and most distinguished French-Canadian of our times, His Eminence Cardinal Villeneuve.

Three reasons explain the greatness and persistence of our patriotism. First, it has been tested and has suffered. Second, French-Canadians, having remained royalists, are loyal to the British crown by reason of the fact that politically everything separated them from France of the revolution. Lastly, we cherish Canada more than others because we cherished Canada long before others did and with a more exclusive Canadianism. Our Canadianism which cautious and wise men have always upheld in the past has nothing of the dangerous excesses of that campaign inspired by partisan motive waged in Quebec in the last twenty-five years. After such a campaign the wise and rational stand taken by Quebec in the present war is highly surprising. We must realize that French-Canadians have not been led to revolt by demagogues as they were at the time of the former national registration in 1917.

Let the government of the day, and more especially the Minister of Justice (Mr. Lapointe) and the Minister of Public Works (Mr. Cardin), take this into account in recalling the past to which they were no strangers. This political past explains why the government feels the need of appealing for national unity and loyalty, and the remarks I now make are in support of the following amendment which I propose to submit:

We respectfully submit to Your Excellency that by reason of striking contradictions between your advisers on principles which should guide our war policy and war effort this house regrets that your advisers do not give sufficient guarantees to ensure national unity.

We also respectfully submit to Your Excellency that by reason of the fact that Your Excellency's advisers from the province of Quebec in this house have asked a mandate in pledging themselves to participate in the war in a moderate, free and voluntary manner, this house is of the opinion that these advisers have no mandate to carry this war effort to the ultimate limit.

Mr. Speaker, has national unity always existed? Is it yet existing in the midst of the cabinet and the ministerial ranks? Has the Liberal party always worked for its realization? Was it in the interests of national unity to propose during the last war, on January 17, 1918, the breaking of confederation as it was proposed in the Quebec legislature by the Hon. J. N. Francoeur who, with the support of the Minister of Justice (Mr. Lapointe), was elected federal member for Lotbinière in 1937? Was it in the interests of national unity to charge the Prime Minister of Canada (Mr. Arthur Meighen) with being the executioner of the French-Canadians, as was done in 1921 by the then mayor of Montreal, Mr. Mederic Martin, who is now a Liberal member of the Quebec legislative council; or to allow the most influential Liberal paper of Quebec, *Le Soleil,* to say on October 24, 1925, that Mr. King's policy is "not one cent will be spent, not one man will be mobilized for the empire"?

Was it in the interests of national unity to raise the Turkish war scare in 1926, and the Egyptian war scare in the 1930 elections, and to allow to be printed on July 25, 1930, in *La Presse* a false London cable entitled, "Conscription Menace", with a warning from Senator Raoul Dandurand, the Liberal leader in the Senate, a warning which has not yet been denied? Was it in the interests of national unity in the last Quebec provincial elections to raise the cry, "A vote for Duplessis is a vote for conscription"?

Therefore it is not surprising that those whose political fortune has been made by these appeals to prejudice feel the need to protect the national unity for which in the past they had very little consideration.

Since the government is asking for unity in mind and motive, is it not fair to ask whether this unity is in the mind and motives of the government? Is there unity in the Liberal mind when Hon. Mr. Pattullo, Liberal premier of British Columbia, stated on August 9, 1939, that if Great Britain were at war Canada would help her to the last man and to the last dollar; and, when the same Hon. J. N. Francœur, who had proposed during the last war the breaking of confederation, stated at St. Fabien on December 19, 1937, "I am emphatically opposed to the spending of one cent to equip and send one man to foreign wars?" No sooner had this statement been made than the Minister of Justice said, "Mr. Francœur's cause is mine; his victory will be mine." And on the polling day, December 28, the Prime Minister telegraphed Mr. Francœur, "The electors of Lotbinière have voted as Canadians who place national interest above all."

What can be said about unity in mind of the Minister of Agriculture (Mr. Gardiner), who on February 6 last stated at Markinch that the Liberal party was opposed to con-

scription of wealth and conscription of men even for the defence of Canada? This is a Canadian Press report which has never been denied.

Did the Minister of Justice not state in Quebec on December 13, 1938: "Instead of going to war abroad we will stay here?" And did his colleague, the Minister of National Defence (Mr. Ralston), not affirm on February 28 last: "Our first line of defence is on the English channel?"

Again, what can be said on unity in mind of these other two ministers, the Minister of National Defence for Air (Mr. Power) who, at St. Fabien on December 13, 1937, said: "I went to the war, I came back and will not go again and will not send anyone to the next war," and the Minister of National Defence, who stated in Montreal in September last: "Canada in this war is at the side of Great Britain and the Canadian first line is in England?"

Can we find any unity in mind between the Minister of Public Works and his leader? None whatever. The Minister of Public Works declared in Montreal on January 14, 1938, that in the event of Great Britain being at war with Italy he would say to Canadians, "Stay at home;" and he added "This is my government's policy."

The government's appeal for national unity would be more convincing were the Prime Minister trying to reconcile the Minister of National Defence for Naval Services (Mr. Macdonald) with the Minister of Public Works. Speaking in New York on October 24 last, the Minister of National Defence for Naval Services said: "We have sent men and ships and guns and planes over the seas, and we shall send more and still more, so long as there is a single Canadian dollar left to be spent or a solitary Canadian citizen to take his stand in defence of freedom." Only three days later, the Minister of Public Works, speaking at St. Ours, stated: "We will never approve compulsory enlistment for overseas service."

It appears that unity in mind is also lacking between the Prime Minister and his colleague the Premier of Quebec, Hon. Mr. Godbout, who, at Plessisville on November 17 last, stated: "The mobilization act is the most anti-imperialist law put in force by the Canadian government."

To lead his party out of this other valley, the valley of contradictions, the Prime Minister should try to reconcile his own statements on the main object of this present war effort. In fact, in this house on November 12 last he stated:

. . . it was not this party, it was not the members on this side of the house that created a "Canada first" policy and tried to educate the Canadian people in their attitude towards interimperial relations on a "Canada first" point of view. At the time the "Canada first" cry was raised I protested against it as strongly as I could.

That is to be found on page 40 of *Hansard* for this session.

But, speaking on foreign policy in this house on March 30, 1939, the Prime Minister stated:

We are and will remain Canadians, devoted, first and last, to the interests of Canada. . . .

In view of such conflicting declarations it is not surprising that in Montreal on January 15, 1938, Hon. Fernand Rinfret should have said:

When, in the past, there was participation it was in spite of us, Liberals! We, Liberals, we are for Canada, for Canada after and Canada only.

When has the Prime Minister protested as strongly as he could against this cry of his own colleague? After having been spurred by so many contradictory statements and pledges by the Liberal party, we readily realize the urgency of appealing for national unity. Circumstances seem to have favoured Canada in keeping this party in office at the last elections, because that is the most effective way to keep it under censure. In peace time the Liberal party has constantly opposed participation in foreign wars, and I can hardly understand how it can now change its policy to one of participation to the extreme limit. The Minister of Public Works tried to explain that when speaking at St. Ours on October 28 last. This is what he said:

The government policy has not changed and will not change.

It must be one thing or the other. The government has fooled the province of Quebec if its war policy then was its policy of to-day, or it is fooling the rest of Canada now if its present policy is still its anti-imperialist policy preached in the past. The truth is that in every electoral campaign since 1917 the Liberal party has promised throughout Canada, with particular insistence in the province of Quebec, that Canada will not any more participate in any empire wars. After having declared war on Germany in 1939, it altered its former attitude in the last Quebec provincial and federal election campaigns by promising that there would be moderate participation only. To-day according to the Minister of National Defence for Naval Services, the limit will be reached only when there is not a single Canadian dollar left to be spent or a solitary Canadian citizen to participate. What an evolution!

It has been said and repeated many times that the Liberal party is a party of expediency. Its greatest electoral successes have been achieved in times of distress by the exploitation of the miseries and sacrifices of the population and of its good faith. This shameless opportunism should not guide the policy of the government in war time, but it seems that the government is pursuing two efforts, the first that of winning the war and the second that of maintaining the huge electoral machine of this oligarchy which controls everything.

There should be only one effort based on the dollars and sacrifices of the poor and the rich; that is the effort for victory. The other should be immediately sacrificed to the first; loyalty and patriotism require it. Since in the name of Canada we are asked to sacrifice our liberty, our wealth and our lives in the service of democracy, have we not the right to ask the government to abandon its partisan ambitions? It is necessary that we ensure national unity, and that must be realized at once and at any cost. To do this it is essential that a policy be clearly and frankly defined which will reconcile the conflicting opinions which it would be dangerous to allow to exist any longer in the cabinet and in the nation. What good would be all the sacrifices generously made in our country to ensure the triumph of democracy over oligarchy in Europe if, after the war, we had to admit that democracy had been killed in Canada by the poison of the oligarchy which is being imposed upon us?

In support of the amendment I wish to quote an editorial from the New York *Times* of October 9, following Mr. Churchill's famous speech:

> It is one of Mr. Churchill's supreme gifts to democracy that he has put furtiveness and concealment aside in dealing with his countrymen.

Nothing is so anti-democratic as furtiveness and concealment between the government and the nation. Duplicity and furtiveness are the Liberal past. Duplicity and concealment are its present. For these reasons I have the honour, as a National-Conservative-Independent member, to move the amendment I read during the course of my speech.

An hon. MEMBER: What is the name again, please?

Mr. ROY: National-Conservative-Independent.

Mr. SPEAKER: Has the hon. member a seconder?

[Mr. Roy.]

Mr. ROY: I have proposed the amendment to the house, and all those hon. members who made so much noise. . .

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, as you are well aware, I had not the slightest intention of taking part in this debate. Although the amendment of the hon. member for Gaspe (Mr. Roy) has not found a seconder, I believe it my duty to say at least a few words. I shall be brief.

With the first part of the hon. member's address I am almost completely in agreement. We sympathize with the distress of the fishermen of the county of Gaspe, and in helping them we certainly will be happy to second the efforts of the various associations and even those of my hon. friend.

In one particular, however, I must take objection to what he says. He stated that the government did not come to the help of the people of Gaspe because they are represented in this house by a member of the opposition. My hon. friend is, to some extent, boasting. As he well knows he does not represent the majority of the people of the county of Gaspe, so his argument falls to the ground. The huge majority of the electors of Gaspe are behind this government. The hon. member was elected by an unfortunate accident. There were two strong Liberal candidates in the field who had divided the Liberal vote. I predicted on the night of the election that, because of that division, the constituency of Gaspe would be the only one which would send an opposition member to the House of Commons. That happened.

My hon. friend is welcome in the house; but he must know he is here because of a division in the Liberal ranks. So the hon. member has no right to say that we are not listening to the claims of Gaspé for political reasons, because Gaspé is Liberal, and will prove to be Liberal at the next election. I ask my hon. friend in all sincerity and in all earnestness if he thinks that his speech has contributed anything toward helping Canada in this tremendous conflict. Has he helped in any way?

Here we have a gentleman who has just voted in favour of an amendment which I shall read—and his electors will know all about that. That amendment states in part:

> We respectfully submit to Your Excellency that this house regrets that the government has continued to soothe the Canadian people regarding the war effort of the nation, thereby creating a false sense of security when a clear-cut call to action is desperately needed.

My hon. friend has voted for that amendment. He thinks that the government is doing

nothing in its war effort, and that we are lulling the Canadian people into a false sense of security. He believes that we are not giving a clear-cut call for action, as my hon. friend would like to have it. Yet this is the speech he makes in the House of Commons and this is his clear-cut call to action.

My hon. friend's speech—and he must have seen it himself, because he is intelligent—has created a painful impression everywhere in the house, even among his friends who sit round him.

Mr. ROY: Yes, but not for the reasons the right hon. minister thinks.

Mr. LAPOINTE (Quebec East): Yes, it has created a painful impression, and I do not think my hon. friend's dreams, after this effort of his, will be happy to-night when he goes to bed. I congratulate the House of Commons of Canada on the fact that there is only one man who would move this amendment—only one man.

An hon. MEMBER: Too bad he is a French-Canadian, though.

Mr. LAPOINTE (Quebec East): The hon. member suggests that my colleague the Minister of Public Works (Mr. Cardin), my other colleagues from Quebec and I are creating disunity in our province. He knows well that the province of Quebec has never been united as she is to-day. All those prophets who had stated and written that if war broke out, confederation would be destroyed and the country divided, have proved to be false prophets. Instead of dividing the country, the war has united it, and the province of Quebec is solidly behind this government. When I make that statement I do not speak politically; I speak rather of parliament as a whole, and indicating that my hon. friend is alone in his view.

Quebec is solidly behind the effort of Canada in this conflict, and we are going to stay solidly behind that effort—no matter what may be the sniping campaign of those disgruntled politicians who try to divide a united country. The hon. member for Gaspé has had the audacity—and I ask pardon for using the word—

Some hon. MEMBERS: Order.

Mr. LAPOINTE (Quebec East): "Audacity" is not contrary to parliamentary rules; the leader of the opposition (Mr. Hanson) uses words much stronger than that. I say that the hon. member for Gaspe has had the audacity to say that during the last provincial campaign there was a cry in Quebec that a vote for Duplessis was a vote for conscription. Is the hon. member serious in that? Every hon. member knows—because we all read the newspapers—that during the campaign in Quebec it was said that a vote for Godbout and Lapointe was a vote for conscription. But the hon. member would have us believe that the people of Canada at large were all wrong, that a vote for Duplessis was a vote for participation in the war, and that that was what was being preached during the last provincial campaign. My hon. friend does not believe seriously that he can make the people of Canada swallow that terrible frog?

Then my hon. friend continues to say that during the by-election in Lotbinière I was supporting Mr. Francoeur. Yes, I am proud to have done so. But the hon. member forgot to say, as everyone who knows anything about recent events must know, that the candidate against Mr. Francoeur was a separatist, a nationalist, an independent, named Mr. Bouchard, who opposed me in the last general election. May I be permitted to say that he was a separatist, an anti-participationist, an anti-war candidate in Quebec East. A Conservative candidate had been selected on the day my good friend Doctor Manion came to address the electors of Quebec. He could not decently endorse Mr. Bouchard, and, as a result, spoke for the other gentleman. But that other gentleman did not open committee rooms, and withdrew two days before polling, asking his friends to vote for the separatist Bouchard. That is the sort of gentleman with whom my hon. friend is associated in Quebec. No wonder he is alone in the House of Commons!

I am not saying anything against Conservatives in the province of Quebec. Heaven knows I would not do that, because they voted for us. They were ashamed of those who were opposing us. That is the reason why my hon. friend, alone, of his clan, is here in the house to-night. He is here because there were two Liberals in the field.

No; in the provincial election of which he spoke and at the general election the Conservatives in Quebec did not vote for gentlemen like my hon. friend, who were running in all the sixty-five constituencies, but preferred to vote for the Liberal candidates and for the participation of Canada in this war. They voted for unity within Canada in this time of terrible conflict. I do not wish to lengthen my remarks, because I believe I have said enough to show that in his speech to-night my hon. friend has not done what he should have done as a representative of his province.

We are proud of the part our province is playing in this conflict. We are proud to be associated with Britain. If there is one

thing my fellow countrymen in Quebec are proud of at this time, it is that they are British as well as Canadian. I have tried to do my duty to my province. My colleagues know that they have done their duty.

The only people in Quebec who at the present time are opposed to the war work of this government are the communists. There may be some others, but they are afraid to express their views. The communists are secretly distributing circulars, and they are calling me names. My good friend, the leader of the opposition, referred to that at Charlottetown. They call me Judas Lapointe and all that sort of thing. I do not want to have the communists on my side. They do all this under cover. As the leader of the opposition said, they have sent me many anonymous letters threatening my life and threatening members of my family. But these people are cowards. When a man wants to do that sort of thing, he does not write a letter, he acts. Even if they do their dirty work, I will not mind. I am here to do my duty, and I shall do it. I shall try at all times to counteract all attacks like the one which the hon. member for Gaspe has launched to-night. I disdain that sort of thing. Let me tell him in all sincerity that as long as the people of the province of Quebec will show, as they have done on many occasions during the last three years, that they are with Cardin, Power and myself, I do not care whom the hon. member for Gaspe may be against.

Motion (Mr. Claxton) agreed to on division.

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

That the address be engrossed and presented to His Excellency the Governor General by such members of this house as are of the honourable the privy council.

Motion agreed to.

On motion of Mr. Mackenzie King the house adjourned at 10.46 p.m.

Wednesday, December 4, 1940.

The house met at three o'clock.

DIVORCE

JURISDICTION OF COURTS IN PROVINCE OF MARRIED WOMAN'S DOMICILE—MOTION FOR PRECEDENCE OF GOVERNMENT ORDER

Mr. GEORGE BLACK (Yukon) moved for leave to introduce a bill to amend The Divorce Jurisdiction Act, 1930.

[Mr. E. Lapointe.]

He said: Probably I cannot do better than refer to the explanatory note printed with this bill, which is very concise:

The purpose of this amendment is to vest jurisdiction in the divorce courts of the several provinces to try actions for divorce at the suit of a married woman deserted by and living apart from her husband where the woman is domiciled in the province at the date of the commencement of such action.

As the law presently stands the woman may bring suit only in the province where the husband was domiciled immediately prior to the desertion. This condition of the law works a great hardship on the deserted married woman who by reason of such desertion may have been forced to move to another province from that where the desertion took place. It is unreasonable that she should have to take her action back to the former.

I could give a longer explanation and perhaps cite instances and precedents, but if the bill is allowed to be given first reading that can be done on second reading.

Mr. MACKENZIE KING: Mr. Speaker, I have no desire to seek to supersede my hon. friend in the matter of the introduction of his bill, but I have already spoken to him about the matter. The procedure contemplated for to-day, as I think hon. members will recall, was that we would seek to proceed with the resolutions which were introduced by the Minister of Finance (Mr. Ilsley) on Monday last. It would not be possible under the rules to do this immediately without introducing a motion to proceed to government orders, and I am in a position to do so only on some measure that is debatable.

My hon. friend's motion for leave to introduce this bill is debatable. Therefore if he will permit me I am going to take advantage of this opportunity which the rules of the house afford—I refer to standing order 48—to move that the house do now proceed to government orders. If this motion is agreed to the house will immediately reach the government order with respect to ways and means.

I might add, knowing the desire of hon. members for information on some matters, that to-morrow I will ask that leave be given the government at the beginning of the sitting to answer the questions appearing on the order paper and to deal with the notices of motion for the production of papers. I should say also to my hon. friend, to make the matter quite clear, that I do not wish to prevent him from proceeding with his bill, and that another opportunity of so doing will be given him at an early day.

Mr. BLACK (Yukon): That will be quite acceptable as far as I am concerned.

Motion (Mr. Mackenzie King) agreed to.

WAR BUDGET

CONTINUATION OF DEBATE ON PROPOSALS OF MINISTER OF FINANCE FOR CONSERVATION OF FOREIGN EXCHANGE

The house resumed from Monday, December 2, consideration of the motion of Hon. J. L. Ilsley (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I realize that it is the desire of the Prime Minister (Mr. Mackenzie King) and members of the government to expedite this resolution and the legislation to be based upon it, but the subject matter is of such importance and of such a character that I feel we would not be doing justice to it or to the occasion if we were to deal with it only in a perfunctory way.

I quite realize that I may not be the best qualified person to discuss such an abstruse and technical subject as foreign exchange, but I recall that in the session of 1935, while I had the honour of being a member of the government of the day, a statute was enacted which forms the basis of the operations of the foreign exchange control board.

It may be worth while to recall to the minds of hon. members just what was the position. It will be remembered that in the session of 1934 the Bank of Canada Act was passed, and that in the following year provision was made, by chapter 60 of the statutes of that year, for the establishment of an exchange fund. Section 6 of that statute, which provided for the control of exchange, was to come into effect only upon a date to be fixed by proclamation of the governor in council published in the *Canada Gazette*. Shortly after that the election came along; the government of the day was defeated and a new government was installed, and that government did not do anything with respect to this legislation until the war came on. On September 15, 1939, shortly after war broke out, the foreign exchange control board was set up under the provisions of the War Measures Act, and on the same day a proclamation was issued bringing into effect the operations of section 6 of the Exchange Fund Act of 1935. That section reads as follows:

(1) For the purpose of endeavouring to control the external value of the Canadian monetary unit or of checking undue fluctuations in its exchange value the minister—

Under the act that is the Minister of Finance.

—may directly or through such agencies as he may designate cause any balances in the special account—

That is the account referred to in section 4 of the act.

—to be invested in

(a) gold;

(b) foreign exchange as defined in section twenty-six, subsection two (b) of the Bank of Canada Act; and

(c) balances with any bank in London or New York designated by the Minister of Finance.

(2) Gold or other investments purchased under the provisions of the preceding subsection may be resold on instructions from the minister.

By subsection 3 it is provided that the statute shall come into effect upon proclamation. This section, together with the order in council which was passed on September 15, forms the basis of the present position with respect to the control of foreign exchange in Canada.

It is with some degree of pride that I call attention to the fact that under a government which was not supposed to be strongly characterized by foresight or to have much knowledge of business the foundation was laid for the functioning of this important body. It is a matter to which I think I should refer, especially since the man who conceived and promulgated the idea has been so often traduced, as he has been even during the present session, by certain hon. gentlemen in this house. I am sure the Minister of Finance would be the last to deny that had it not been for the vision of that man and his knowledge of finance and monetary problems, we should not have been so well equipped as we are to-day to deal with what to me is an abstruse and technical matter.

Under the order in council passed on September 15, which is P.C. 2716, to which I have referred, setting up the foreign exchange control board, complete authority was taken for the regulation and control of foreign exchange. The provisions are lengthy and technical, and intensive study is required to understand them. Control over foreign exchange, foreign trade and related matters is provided for in part II, which will repay perusal on the part of anyone interested. The board began to function immediately, and its operations have grown into great proportions. On the whole I am satisfied it has operated directly for the benefit of Canada and in accordance with the purposes of the promoters of the legislation authorizing it.

I am well aware that there is a school of thought in Canada which, shall I say, would be pleased if there were no such control. But anyone who has given even cursory study to the problem will realize that the old saying "what is one man's meat is another man's

poison" is much to the point in relation to a matter of this kind. I know that it would be greatly advantageous to exporters in Canada if there were freedom from exchange control. I know that such freedom would redound to the benefit of some, and especially to the benefit of our paper companies and those who are manufacturing and exporting products of a similar kind. But I should like to emphasize the fact that in so far as some would benefit by what might be described as extreme profits, derived under an exchange market free from control, just to that extent would other interests in Canada suffer. On balance I believe that while a few would gain, and perhaps gain considerably, the public generally would suffer more than the extent of the advantage to those who had gained so much.

I may say therefore at the outset that I am fully in accord with the principle of exchange control and the elimination of speculation. I was going to add "profiteering," but I shall not use that word, because it would not be profiteering in the true sense; on the contrary it would be a quite legitimate transaction.

Having said this much may I return to the minister's statement of Monday last. It was of course a carefully prepared exposition of the government's policy and point of view. Let me say at once that this move on the part of the government was not unexpected by the public, and certainly should not have been unexpected on the part of hon. members who have been following with any degree of care our exchange position in relation to the United States and the mother country.

The balance of trade between Canada and the United States, over a long period of time, has been continuously adverse to us. The war has accentuated that position. When last month I had occasion to speak on the debate on the address in reply I placed on *Hansard* some figures showing the adverse balance of trade as between the empire and the United States and as between Canada and the United States, with respect only to commodities. These figures show that in the three-year period ending August 31 last the adverse balance of trade against the empire was $1,624,000,000, and as against Canada alone it was $569,000,000. May I repeat that those figures are in respect only to commodities.

Without having any reference to those figures, I believe the minister said in effect, if not expressly—and in my opinion there can be no doubt as to the truth of his statement—that while these figures may have been substantially reduced by deductions made for gold sales and for invisible services such as tourist traffic, there must have been a substantial addition to the adverse balance of trade, particularly within the last three months, and it is progressively growing greater. The fact must be recognized that no attempt has been made to restrict the exportation of dividends on capital invested in Canadian securities by residents of what he describes as hard currency countries. Furthermore—and above all, I should think—the adverse balance of trade both as between Canada and the United States and as between the empire and the United States must have increased with remarkable celerity within the last three months, and in the succeeding months in my opinion it will grow considerably.

The problem, therefore, is one which not only confronts us in the immediate present but which I believe will become increasingly intense as time goes on and so long as we are a belligerent country having to buy extensively in the United States. Having regard, then, to the increased tension in the matter, if I may so describe it, the condition is one which demanded immediate and drastic action. I suggest to the minister not only that there has been delay, but in my view, and with the best information at my command, the provisions are not adequate to maintain the equilibrium which I believe is necessary if we are to continue the present ratio or spread between our dollar and the United States dollar.

As I intimated to the minister by an interjection I made during the course of his observations, unless we are told the full story and are able to predicate our deductions, assertions and recommendations on facts placed before us, we cannot fully appreciate the situation, nor can we deal with it adequately. With a good deal of temerity I shall at a later stage in my remarks offer some recommendations—realizing, as I said a moment ago, that possibly I am not best qualified to deal with the matter. But unless we are given more information, unless we are told the sum total of our present exchange deficit and the anticipated total of that deficit from time to time as the adverse balance grows, I repeat that we cannot fully appreciate the situation or deal adequately with it. I regret that the minister, for reasons which at least to me he did not make very clear, found himself unable to take the house and country into his confidence by stating what the deficit is.

I do not suggest that the minister declined to give the information on the ground that to do so might be in the nature of giving aid to the enemy. I cannot conceive that there could be any sound or common-sense basis for any such reason as that. There may be

reasons which I have not yet been able to divine for his not giving the house this information. I ask the minister to give us at some stage in the proceedings reasons over and above those he has already suggested, and which were in the vaguest terms, as to why we should not have this information. It is my opinion that upon knowledge of the quantum of the deficit in our obligations in respect of the exchange position between Canada and the United States will depend the judgment we may seek to pass upon the measures the minister is promoting for at least the alleviation of the position.

I suppose if I were clever enough I could read between the lines and gather from the information the minister did give the house a reasonably close estimate of the present deficit. I am not suggesting that I am a statistician, but it should be possible for anyone versed in the exchange position to make such an estimate. I have endeavoured to do something of the kind, and I suggest to the minister with regard to his estimate of $200,000,000, that the actual figure is higher than that. If I understand his proposals correctly, he hopes to improve the position—shall I put it that way?—to the extent of between five and six million dollars per month. If that be the measure of his proposals, I say that they are wholly inadequate and that we shall have to deal with the matter at a later stage and perhaps in a more drastic and realistic manner.

It must not be supposed by anyone that this is the first move that has been made. During the course of his remarks the minister set out the steps which had been taken since the war broke out at least to touch the position—I shall not say to keep in step with it. In his comprehensive review on Monday he indicated that up to June last the general policy involved no restriction of import or export trade, with the single exception that the board refused to provide exchange for the export of capital from Canada except within certain narrowly prescribed limits and with certain exceptions for capital that had been invested in Canada after control was established. In April an important step had been taken in exchange control when the foreign exchange acquisition order was passed under which all our available liquid supplies of foreign exchange, United States currency being the most obvious, as distinct from such foreign assets as securities, were placed directly under the control of the board, and all our nationals had to turn in their United States money. A further step was taken as a result of the budget in June when the war exchange tax of ten per cent was imposed upon all imports except those from sterling countries. In addition, special progressive excise taxes were imposed on automobiles. In July the board took further measures to prohibit the sale of foreign exchange to Canadians for pleasure travel abroad.

While some of these measures are not of substantial importance, I suppose they are all relatively important. But they have not been sufficient to keep the position in equilibrium, and as a result we had the budget of Monday last. In reflecting upon this budget certain questions have arisen in my mind. The first is: Are the new provisions adequate? I think I have answered that already. In my opinion they are not. They may be just the first dose to the Canadian people. That may be sound policy; I do not know what the reaction is throughout the country, but I am inclined to think that it is good. With the principle involved I am in accord. I am in accord also with the principle involved in the second schedule of the budget, which deals with the loosening up—I use that expression for want of a better one—of sterling exchange in this country.

Having read the resolutions, I ask myself: Are the safeguards against price rises adequate? Further, while I do not wish to deal at the moment with individual positions I am wondering what will happen with respect to magazines and periodicals. Would it not be better for parliament to lay down the rules with respect to this matter rather than to leave it to the Minister of National Revenue (Mr. Gibson)? It seems to me that this is a delegation to a minister of authority which ought to be retained by parliament.

Prior to 1935 the government of the day sought to deal with the question of the importation of cheap United States periodicals—not in relation to exchange, but in relation to their effect upon national literature and national sentiment. I remember that hon. gentlemen opposite, especially the Prime Minister, opposed the principle of the imposition of taxation upon the advertising in these magazines. The Prime Minister took the broad view that there should be no tariff on brains. That is a high-sounding phrase, but what was the effect of his action in wiping out the protection to Canadian periodical producers when he came into power? It has been this: In five years the importation of these periodicals—I was going to use another term—has increased in value from about $2,250,000 to $6,500,000. If hon. members will go with me to any large news-stand in this city and look at the periodicals on sale I think they will agree with me that, exchange considerations or no exchange considerations, the government should exercise some authority to

keep these things out of the country and away from the Canadian people. There is no tariff on brains, but there should be a tariff on trash.

Mr. MACKENZIE KING: I have never supported the allowing in of any of these rotten sheets.

Mr. HANSON (York-Sunbury): I dare say my right hon. friend did not think it would have the effect it did. I know the question was considered minutely with those in the trade and it was felt at the time that the only way to deal effectively with the matter was to tax the advertising. When the Prime Minister opposed those measures I do not believe he had it in mind that the traffic would grow to the proportions it has.

Mr. MACKENZIE KING: I have always been in favour of prohibiting altogether certain classes of magazines or periodicals, particularly the type referred to by my hon. friend.

Mr. HANSON (York-Sunbury): If my right hon. friend has been in favour of that, he certainly has been slow to act. In bookstalls in any of the large cities in Canada I can show him magazines of the veriest trash which should never have been allowed into the country. Some are even worse than trash. Occasionally salacious magazines have been prohibited by action of the Department of National Defence—

Mr. ILSLEY: The Department of National Revenue.

Mr. HANSON (York-Sunbury): It ought to be the Department of National Defence. I think it would be a good defensive measure to give the jurisdiction to that department. However, I appreciate the fact that it can be handled better by the customs than by any other branch.

Mr. ILSLEY: I think I am safe in saying that hundreds have been prohibited.

Mr. HANSON (York-Sunbury): There are hundreds more that ought to be prohibited. I shall not go further into the matter, but I suggest to the minister that parliament might very well be asked to deal with the question of policy rather than leave it to the discretion of the Minister of National Revenue. I do not question his good faith or his understanding of the situation, but this is an exercise of power on a matter of principle with which parliament itself should deal.

Mr. ILSLEY: Parliament does deal with it.

Mr. HANSON (York-Sunbury): I am not so sure about that. My reading is that a very wide discretion is left in the hands of the Minister of National Revenue. That means, in his officers. They may or may not move. I do not for a moment suggest that the minister should have the duty and obligation of making examinations himself because he must rely on his officials. Many a time they have been asked to move, and many a time they have failed to move, but sometimes they have moved.

I shall not deal with that further except to suggest to the minister that we might very well in this house settle the principle upon which this action is to be based. I hope that, war or no war, the time will never come when Canada will allow these salacious magazines to appear again on the bookstalls of this country. I am thinking of generations yet to come.

There is another thought. When I heard the minister's explanation of his budget proposals I wondered what steps had been taken and what avenues had been explored by the ministry to increase the flow of our exports into the neighbouring republic. From our point of view that would be, I suggest, the ideal method of correcting the exchange position between the two countries. I referred to that when I spoke in the house on the 12th of November. It is astounding to me that a little nation of twelve million people should buy at least twenty-five times more per capita from the United States than they buy per capita from us.

Mr. ILSLEY: We are selling twenty-five times as much to them as they are to us per capita.

Mr. HANSON (York-Sunbury): I say it is astounding to me that a little nation like Canada, with twelve million people, should buy from the United States of America, with one hundred and thirty million people, twenty-five times more per capita than they buy from us. That is a situation which I suggest to the government and to the people of Canada has been going on altogether too long, and it cannot continue indefinitely if we are to keep our heads above water. In the old days we had a remedy for that situation. We had a settlement on a three-way basis, but that, as the Minister of Finance (Mr. Ilsley) himself stated, is no longer open to us. If that be so, what is ahead of this country if it is not national bankruptcy, war or no war. It is a situation that must be corrected, and we are now in a favourable position to have it corrected. The Prime Minister (Mr. Mackenzie King) has, he has told us, paved the whole way. He has got the United States to the point where they will cooperate with us in

the defence of our nation, and financing is a part of the defence of this nation and of the north American hemisphere. I ask the minister to tell the house if any avenues have been explored with respect to sending our exports to the United States.

Mr. ILSLEY: Certainly. That has been our policy ever since we came into office in 1935.

Mr. HANSON (York-Sunbury): We are tied up to the Canada-United States agreement; and the minister in dealing with the question, in making an apology, shall I say, for taking no action in the matter of fresh fruits and vegetables, made it quite plain that we dare not go back to the United States and ask them to correct that position because it would put the agreement in jeopardy. That just shows the futility of having our tariffs made for us in Washington.

Mr. ILSLEY: Does the hon. gentleman want us to scrap that measure of extending our export trade to the United States?

Mr. HANSON (York-Sunbury): No, I do not suggest for a moment that we should scrap it.

Mr. ILSLEY: It would have that effect.

Mr. HANSON (York-Sunbury): But I do suggest that if conditions are as ripe as has been indicated to the house and the country we can go to the people of the United States and say: We are increasing our purchase of United States products, particularly manufactured products, and especially war materials; we are finding great difficulty in paying for them; the load of adverse exchange is becoming increasingly burdensome, and because we are buying so much more from you than we did in days gone by, we think it a fair proposal that avenues should be explored with a view to increasing our exports to the United States.

I could indicate to the minister articles which the United States could use in their war effort right at the present time. I might mention base metals, for instance. Has the United States ever been approached to let down the bars against our base metals? Has the United States been approached to extend to us further facilities for the export of more of the natural products of this country?

Take, for example, the small item of cream. Cream is in the agreement, but the membership of this house could drink in one day all the cream that the United States is importing from us. But the dairy farmers of eastern Ontario, the dairy farmers of the eastern townships, the dairy farmers of Quebec counties lying along the Vermont and New Hampshire borders, and the dairy farmers of my province, where we are just twelve hours overnight from the Boston market, could ship substantial quantities of cream to the United States every day of the year, to the advantage of the United States consumer and without any great disadvantage to the United States producer. These are matters which I think should be explored.

One of my colleagues suggests, what about quotas? I have no desire to go into details. I am trying to deal with principles and leaving it to others to give specific instances and cases. I am questioning in my mind whether the government, in meeting this problem, have met it full face. It has two aspects. I have tried to deal with one of them, that of increasing exports as opposed to restricting imports. I suggest it is of the greatest importance, and I commend it to the government. We should make every possible effort to increase our exports to the United States in view of the fact that we are daily increasing our consumption of their manufactured products. I believe that in war time they would meet us in the right spirit.

I know that in peace time the situation was difficult. I know that in the winter of 1934 and the spring of 1935 we could do nothing with the officials of the state department of the United States with respect to two homely products of the maritime provinces, fish and potatoes. We got a quota for potatoes, a quota which a single county in New Brunswick could easily fill in any given year. What has happened this year with regard to potatoes? Does the minister know? We have no tariff against United States potatoes, and according to the trade reports of this country potatoes from Aroostook county are being imported into Canada via Windsor, to the detriment of the New Brunswick producer. That may be all right, but it is pretty hard to tell the farmer in the Saint John river valley that it is all right. Where is Manitoba getting its potatoes from this year? It may not be feasible to ship potatoes so far west, but my information is that the crop in that province is a failure.

Mr. WARD: No.

Mr. HANSON (York-Sunbury): My information is that the crop in Manitoba is a failure and that they are importing potatoes from the Dakotas.

Mr. WARD: That is just not true.

Mr. HANSON (York-Sunbury): If the hon. member will go over to the bureau of statistics, he will get the information that North

Dakota potatoes are being imported into Manitoba. The trouble with my hon. friend is that he does not want to hear the truth and he does not want to know the truth.

Let me come back to the more technical aspects of this matter. When war broke out and the control was established, the foreign exchange control board set an arbitrary rate. I do not mean, arbitrary in the sense that it was purely arbitrary; it was a rate which they in their judgment—and I do not know any body who would have better information on the point—deemed to be a rate which possibly could be sustained without any ups and downs over a long period of years, and it had the merit of stability. I think that is a fair position to take with regard to it; and in so far as it had that merit of stability, it was an advantage to business people in this country and in the neighbouring republic. They fixed the rate on purchases at ten per cent, and the rate on sales at eleven per cent, the additional one per cent covering the charges of operation. The board thus came into possession of the substantial profit of one per cent, a portion of which, I understand, they had to give to the commercial banks of the dominion in return for the services which they rendered in carrying out the operations of the board. Just what that rate is I have heard, but I have forgotten. However, there must have been accumulated, in the fifteen months or so which have elapsed since that time, a very substantial fund, which the board, I assume, has made or will make use of in connection with stabilization operations. At all events, out of that fund will be paid the cost of the operations, and there will be, I assume, a substantial surplus as well.

I should say this: My understanding of the rate established was that it was about half-way between the value of the United States dollar and the British pound sterling—it could not be said to be pegged to either—and was fixed at that rate as the result of the exercise of the best judgment of those having charge, and for the reason that it was about half-way between the two currencies. I am bound to say, so far as my information goes—and I have made inquiries—it has operated well, although I am of opinion—and the necessity of this legislation bears me out in that opinion—that in recent months the rate charged for foreign exchange has been on the low side.

I have already outlined what steps, more or less important, were taken in the preceding months, and I have indicated in a general way what thoughts occurred to me with relation to the present proposal. The measures proposed have, broadly speaking, two ends. First, they are to help Canada finance war purchases in the United States. I think they have a second purpose, a psychological one, namely, to impress upon the Canadian people the necessity of not spending their money on articles they can do without; and that is all to the good. I have advocated that for a long time. I have no objection whatever at this time to the principle of that kind of legislation.

I shall have some objection, as we go into committee, with respect to the incidence of that burden. There is room, I should say, for honest difference of opinion with regard to that, and it may be that the minister—although I have found his mind rather inflexible in days gone by; having set his mind upon a certain course, he is loath to change it—will be in a position to say that he will give more than consideration to any suggestions we make with respect to it. But on the general principle I and my friends are in agreement. I think it serves the two-fold purpose of helping our war effort and of instilling into the Canadian people the necessity of sacrificing something. There will be, of course, some whom it will not affect because they cannot make any more sacrifices than they are making. There will be a middle class who will be affected. Then there will be a class of well-to-do people who will have, in spite of everything, what they want as long as they have money to pay for it.

In its second phase this proposal is to help Britain finance her purchases in Canada; and with that, too, I am in substantial agreement. But here again, in connection with the incidence of this lifting of restrictions on British imports, there will, I think, be room for honest differences of opinion, and we can argue those out in the later stages.

I have in mind at the moment the question of Nova Scotia coal. I do not think the importation of British bituminous coal free of duty will be immediately detrimental to the production of coal in Nova Scotia, because the information I have is that to-day coal is a scarce commodity. But I venture to suggest that, before this war is over, the question will become a very live one, and I am going to leave my colleague from Nova Scotia, the hon. member for Cumberland (Mr. Black) to deal with it.

Before I leave this question, I wish to say to the minister that Nova Scotia coal is the only coal which this free importation of British bituminous can affect. They both will have to go into the same market unless the market increases beyond what any of us visualize that it will increase to. Whatever is imported from the other side will displace Nova Scotia coal. If we are prepared to make that sacrifice, well and good. I know

that all these changes in policy and all these diversions of trade are bound to affect somebody. They cannot help doing so, once a channel of trade is established. How about the effect on our policy of subventions? It will affect that policy indirectly. I wonder whether the minister has thought that through.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Well, if he did, he did not say anything about it. We shall have ample opportunity to discuss that on the committee stage. I personally would have preferred to delay my remarks until we were in committee, but we are faced with the rule of this house which I had in mind when I spoke briefly the other day, and which the leaders of the two groups to my left had also clearly in mind, namely, that if there were no general discussion on this resolution, then, when we got into committee of ways and means, we could not deal with the general principles and we would be held down to the item immediately under discussion. If, for that reason, the passage of these measures is delayed, it is because I think there would have been a too rigid application of the rule. With that I think the Prime Minister and members of the government will have to be content.

The government propose to deal with the first phase of our exchange position by restricting the imports which are listed in the resolutions tabled. I have already pointed out what in my view are some of the glaring omissions. I am not going to deal in any detail with the question of fruits and vegetables, but I would point out that in four weeks' time the Florida strawberry crop will be on the market. Florida strawberries are ready for local consumption in that state on Christmas day, and a week later they begin to move out in carload lots. Strawberries will come also from Texas, Louisiana and other southern states. Can the minister tell this country that fresh Florida strawberries in January are a necessity for the health of the Canadian people, or to help win the war?

Mr. ILSLEY: No, they are not.

Mr. HANSON (York-Sunbury): Of course not. Then take the case of citrus fruits; we all like citrus fruits, there is no doubt about it—and in passing I should like to say that there is no better grapefruit than that grown in Florida. But at the hotel we are eating grapefruit from Honduras and Jamaica, and oranges from Dominica and Honduras. I believe the health argument does not hold water; we can get these fruits from the sterling area. We can get them, and there is transportation for them; the *Lady* boats are coming back half loaded at times.

The fact of the matter is that we have not dealt with this question of fruit and vegetables in a realistic manner; we have not been allowed to. I am not going to pursue that line of thought any further; the minister knows exactly what I mean. In my view, we have had the big stick held over us.

I will leave the question of new potatoes to my hon. friend on my left. Bermuda grows potatoes; they will be on the market shortly. And Bermuda is in the sterling area.

In the course of his remarks, as reported on page 555 of *Hansard,* the Minister of Finance indicated four principles which had governed the government in making up the list of goods to be restricted. He said:

> The articles prohibited should be such as consumers can legitimately be expected to do without in war time or for which their requirements can probably be met from the durable goods which they already have on hand.
>
> The list should include finished goods rather than raw materials or parts or equipment for Canadian industries so that disturbance to Canadian industry and to those employed in it will be kept to a minimum.
>
> Wherever possible, goods used by the well-to-do rather than those used by the mass of the public should be restricted.
>
> The items should be such as to require a minimum of administrative machinery and action in order to carry out the restriction.

The first three are important; the last one I do not think is. With the first three statements of principle I do not think there can be much quarrel, if any.

In the committee of ways and means there are to be two resolutions. The first of these precedes the introduction of a bill to be entitled the War Exchange Conservation Act; and appended to that resolution are two schedules. The first contains a list of items, based on the tariff classification, the importation of which from all countries except those in the sterling area and Newfoundland is to be subject to restriction; and with regard to part I of the schedule, no permits are to be granted for their importation from the so-called hard-currency countries. Part II of the first schedule comprises goods for which permits to import from hard-currency countries will be granted temporarily but on a decreasing scale.

I question the desirability of parliament vesting in any minister authority of that kind. In other words, the Minister of National Revenue may say to John Jones, "You may import under permit", and to Tom Brown, "You may not import." There is the opportunity for abuse, for discrimination, because this is to be left to the judgment, shall we say, of one man. No matter how reputable

he may be or how high his character, I submit that is not good legislation. If it were not war time, I would fight that principle. I suggest to the minister that parliament itself ought to grapple with the principle that is to be followed here, and not leave it to the discretion of the minister. In the hands of a minister who might be weak, of a minister who might be susceptible to all kinds of pressure, I can visualize that great injustices might be done. I do not like the principle, but I am not going to labour that point any further.

In dealing with our exchange position, we must take into consideration the question of the cost of carriage, which is also important. Under present-day conditions we have to find, if I am correctly informed, no less a sum than $50,000,000 per annum for freight payments alone; and, so far as I know, there is no counterbalancing compensation. If the minister knows of any, I wish he would tell me for my information. That is a dead-weight debt on our exchange board. It is an extremely important item in arriving at the true adverse balance of trade.

Mr. ILSLEY: Is that railway freight?

Mr. HANSON (York-Sunbury): Yes, and express.

Mr. ILSLEY: That is net?

Mr. HANSON (York-Sunbury): I am told that that would be net, that there is not much offset to it. I may be wrong in that because my avenues of information are, of course, not nearly as adequate as those available to the minister. He has the official authority to find out these things; I have to get them as best I can. But I am informed that that is about the net amount we have to provide. And it will be increasingly great as we increase our imports.

Mr. ILSLEY: I will check up on it.

Mr. HANSON (York-Sunbury): Just a word more with respect to these fresh fruits. The Minister of Agriculture (Mr. Gardiner) intimated the other day that on his visit to England he was told that fresh fruits are not considered a necessity in England in war time; hence the failure to take any part of our apple crop. Canned fruits, I understand, are not barred, but even these are well down the line on their list of what are considered necessaries during this war—No. 9 I am told; I thought it was No. 12.

Then there is the question of substitutes in this country. Why should we not try to educate our people to use substitutes? They may have to come to this. I am told that the humble tomato contains exactly the same kind of vitamins as the lordly orange that comes from the groves of Florida.

Mr. McCANN: But not in the same quantity. It takes twenty times as much tomato juice to give the same quantity of vitamins.

Mr. HANSON (York-Sunbury): My hon. friend is an expert, of course, but I think I would rather page another expert before I would be quite willing to accept that statement. However, that is a suggestion which I throw out in passing; I am not at all certain of my ground, nor do I believe my hon. friend is certain either.

I have already given my views on the matter of extending our sales to hard-currency countries, and I need not go over that field again. Something should be said, and I think I should say it now, with respect to the second part of the proposals, the extension of the British preference. The schedules in connection with the extension of the British preference are extremely wide, and I am certain that we do not know all the implications. I should like to ask the minister a question just from the point of view of revenue. I understand that the government is not putting forward this proposal on the basis of revenue at all, nor do I think it should be put on that basis. If there is any man in this house who wants to help Britain win the war, it is your humble servant, and as far as I am concerned, I am willing to make any sacrifices that I may be called upon to make to further that end. But it is a problem that the government must keep in mind, because if we lose certain revenues from one source we have to make them up from another. The minister did not attempt to give us any estimate of the loss of revenue. I should like to ask this, though: Has he looked into the question of loss of employment that may be occasioned by some of these proposals?

Mr. ILSLEY: It is not anticipated that there will be any loss of employment.

Mr. HANSON (York-Sunbury): Has the minister gone into the matter with any degree of particularity?

Mr. ILSLEY: Pretty well.

Mr. HANSON (York-Sunbury): Iet me bring it home to him. In my county there is a cotton mill. There are three in New Brunswick. Two towns are dependent for their very existence on the operation of the mill in my county. Prior to the outbreak of war, these mills were running only three days a week; the operatives were living on a standard of existence that was below the border line. The war broke out; substantial

orders were given; the mills ran on full time and on overtime for a long period. The war orders are now practically all filled, except in connection with those mills equipped to make cotton and wool goods. That is not the situation with the mills at Milltown or the mill at Marysville. The number of days worked per week has been steadily dropping since they filled their war orders. How is this going to affect them? I must ask myself that question, naturally, because it will be put to me by the first man or woman from the town of Marysville that I meet on the street.

Mr. ILSLEY: Let me put it in just a word. The cost of production of cotton textiles in England is estimated to be up about 43 per cent, and therefore the price that will be charged for cotton textiles is so much higher than it would be under normal circumstances that the cotton industry of Canada does not require the very moderate protection it has had in the past.

Mr. HANSON (York-Sunbury): I am glad to hear the minister say that the protection is very moderate, because during all the years I have been in this house and for longer than that—

Mr. ILSLEY: I mean it is very moderate as against Great Britain.

Mr. HANSON (York-Sunbury): It is very moderate as against Great Britain; I agree with that, but even then I have heard mutterings about it. Let us analyse the minister's statement. The cost of the raw cotton is the same to them and to us, and that is the big item.

Mr. CRERAR: It costs them more.

Mr. HANSON (York-Sunbury): I am speaking about the raw cotton at the point of production; that cost is the same.

Mr. CRERAR: That is what I am speaking about.

Mr. HANSON (York-Sunbury): No; the hon. member is not speaking about the same thing. He is speaking about the cost of the cotton landed. Of course it costs more in Great Britain, the carriage and the exchange have to be added, and it has to be paid for in a depreciated currency. We are in exactly the same position, but to a lesser degree; but the cost of raw cotton at Savannah or Atlanta or any other big cotton market is exactly the same to Britain as it is to us, so there is no distinction at all. Of course there is the cost of carriage in war time and the cost of war insurance to England; but it must be borne in mind that this carriage is nearly all by water. As against that, ours is rail carriage every mile of the way from Atlanta, Georgia, to Fredericton. I have often wondered why it was not brought in by water, but that has never been done. It comes up via Chicago; the freight is substantial, and it has to be paid in United States currency.

I have not had time to make any comparison, but I suggest to the minister that altogether aside from the question of the difference in exchange, the cost of transportation is against Canada qua the United Kingdom. I may be wrong in that, but that is the theory I have in mind, and I have given my reasons for it. There is the question of the adverse exchange. Undoubtedly on a pound of cotton the amount allotted for exchange by the British converter will be slightly greater than the loss sustained by the Canadian converter, but the amount per pound or per yard of material will be so small as to be almost infinitesimal.

Then there is the cost of conversion. I have always understood, and in this I think I am borne out by those who know, that the cost of converting cotton goods in England is less than it is in Canada. How in the world, then, can the minister make the statement that there has been a rise of 48 per cent in the cost of production in England, without taking into account the fact that there must have been a rise in the cost of production here as well?

Mr. ILSLEY: I am informed that there has been an increase of 43 per cent, not 48 per cent, in the cost of production of cotton textiles in England. The hon. gentleman must not forget those two Atlantic trips.

Mr. HANSON (York-Sunbury): I quite agree that there is an ocean trip involved.

Mr. ILSLEY: Two of them.

Mr. HANSON (York-Sunbury): But I would also point out to the minister that goods shipped to Canada come in ships that are seeking cargoes. The whole trend of commerce is from west to east; the heavy cargoes are going from Canada to the United Kingdom, and in some instances the ships are coming back not filled. The same thing will apply to coal. If British bituminous coal is coming to this country, I venture to say that it will come as ballast, bearing the very lowest rate. I would ask the minister to investigate that. It will not bear a commodity rate unless it comes in full shipload lots. I do not know what the situation is in Saint John this year, because the condition has been erratic, but for a long period of years most of the coal that has come to that city, most of the British anthracite which I myself burn, has come in as ballast, bearing the lowest possible freight rate.

Mr. ILSLEY: Can the hon. gentleman suggest anything we can do for England?

Mr. HANSON (York-Sunbury): Oh, yes; I can suggest a number of things we can do for England and I am willing to go the whole way on cottons. I am only asking the minister if he has thought the thing through. I am glad to know that this provision is only for the duration of the war. Certainly I could think of things to do for England. I would buy some woollens from her, and would thereby do something for the woollen trade in England. That has not been thought of.

Mr. ILSLEY: Has the hon. member thought that through?

Mr. HANSON (York-Sunbury): I would make the gesture, anyway. I know it would have a detrimental effect on some people. I have heard someone say that he was glad the woollen schedules were not touched. I would help England in any way I could, unless that help meant suicide to Canadian nationals and Canadian labour. I will go that far with the minister. I am anxious to that extent about the situation, and that is why I tell him I am going to support these resolutions.

I do not believe, however, that the minister and the officers in his department have adequately thought through the implications in the proposals, and I am certain they are wrong about cotton textiles. That is my conclusion from the information at my disposal.

Anything further I have to say I shall defer until the items in the schedules are under discussion. I have already indicated my desire to help England in her present position. I want it to be understood that we on this side of the house are in favour of the principle of aiding England by the means suggested or by other means. Let me say this: I have never forgotten the ringing words of the Prime Minister of the United Kingdom on the occasion of his ascendancy to that office. He said, "I have nothing to offer but toil, sweat, blood and tears." Neither have the British people in these days; and the people of Canada should emulate that example. That is why we are willing to make sacrifices to help England win this war.

The Minister of Justice (Mr. Lapointe) rose in his place last night and declared that he was a Britisher to the core. I am sure that statement will have a wonderful effect throughout the country. I felt like applauding him for making it, but I could not help thinking that if he had adopted that attitude years ago, there would have been much less trouble in Canada.

Mr. LAPOINTE (Quebec East): My hon. friend is wrong in listening to his supporters.

Mr. HANSON (York-Sunbury): Let bygones be bygones. I wish to tell the Minister of Justice right here and now that my admiration for him began to glow when I read the report of the speech he made on the question of the neutrality of Canada. I say to him that it was a noble speech, and after reading it I forgave him for much of what has happened in days gone by. I am willing to do that; that is my attitude toward this whole matter.

I was impressed with the declaration of the Prime Minister in England; and we in Canada should help, even if it pinches every last one of us. Therefore I say to the Minister of Finance that we will support these proposals, but we shall reserve the right to examine each and every one of the items he proposes to change.

There is just one other matter to which I might refer before I resume my seat. When the matter of foreign exchange came to the front, the thought occurred to me that the government of Canada might very well ask residents of the United States to leave their dividends in Canada to be invested in Canadian securities, just as we compel them to leave their capital assets in Canada, invested in Canadian securities, and not to be removed during the war. I wonder whether it would not be possible to ask the well-to-do in the United States who hold these securities to help us out in these times. Has that possibility been explored? If I understood correctly what the minister said the other day, it takes the total gold production of Canada to pay those dividends and interest. I believe my suggestion will have to be accepted by him sooner or later, and I believe it should be the subject matter of negotiation now rather than later.

I commend that suggestion to the minister. Already, in effect, we have frozen capital assets in Canada. Is it asking too much to do as I now suggest, or are we afraid of the repercussions on our own investments in the United States? I know it is a ticklish matter to deal with, but I suggest that we shall have to take drastic action in connection with it, and that the minister might well explore the possibilities.

I had toyed with the idea of suggesting that an arrangement be made between ourselves and the two nations now so closely associated with us, one of which is our mother country and our ally, and the other, our good neighbour to the south, for the tying of our respective currencies together for the duration of the war. That would be done along the same lines as were followed when

the British pound and the French franc were tied, until the time of the fall of France. I have abandoned that theory, and I shall tell the house why. I am afraid the burden would be so great that it would fall altogether upon the shoulders of our neighbour to the south, and that it would not be decent to ask them to accept that burden.

But, over and above this reason, let me say to the minister I would oppose that theory to-day because I believe that so long as we are a nation, so long as we call ourselves Canadians, we must, by all means at our command, preserve if we can our fiscal independence. Once we lose that fiscal independence, the laws of economics will become too strong for us, and I am afraid that the next step would be the loss of our political existence. Therefore I reject that theory, and suggest to the minister that if I have made the suggestion, he ought not even to toy with it.

I have been impressed with the thought that I should urge upon the government the necessity of beginning at once negotiations with the United States toward the establishing of credits for us, and to enable us to borrow over there. I am afraid we shall have to come to that sooner or later. I realize, however, that there are certain legal impediments in the way. First of all, there is the neutrality act. I have no doubt that after the examination now under way in the United States senate, both the neutrality act and the Johnson act will be at least moderated. I believe the way will be opened. But let me say to the minister and to the people of Canada that borrowing is just a palliative; it is just a mortgaging of the future; it is just stalling off the day of settlement. If we create a heavy debt, at the conclusion of this great struggle we may find ourselves so far in debt to the United States that our economic and political existence will be in jeopardy. We ought to stall off that evil day to the last minute.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I do not propose to discuss at any great length the details of the special budget. I realize of course that the new financial proposals with which we are faced are made necessary on account of our war expenditures, and that we have to face a grave economic and financial situation in the future.

While in the main supporting the proposals made by the minister at this time, we wish to offer some constructive criticisms, because we believe the proposals are insufficient to meet the needs of the country now and in the near future. We understand that in presenting this budget the government's objectives are the conservation of foreign exchange and the encouragement of individual saving among our people so that the savings may be available for war purposes. Such revenue as may come from the excise tax must be considered to be purely incidental and not a primary requirement of the tax. It seems to me that an equally desirable objective is the maintenance of the Canadian dollar at a stable value in terms of foreign exchange and particularly in relation to the currency of the United States; hence I presume the proposals for the restriction, indeed the prohibition, of the import of many commodities.

On the other hand, large purchases by Britain in Canada make it essential that we should buy more from Great Britain. In other words, we have to conserve our United States dollars for purchases by Canada in the United States, and if possible expand the amount of Canadian dollars available to Great Britain in order that she may pay for the very large purchases she is committed to make in this country. We are heartily in accord with the proposals made to improve Britain's ability to purchase here. The criticism that we would make is that they are too timid and therefore largely ineffective. I do not agree with the leader of the opposition (Mr. Hanson) in that regard. I do not think that you can have it both ways. I do not think that you can keep certain British goods out of Canada and yet serve the British need to the fullest extent. Consequently we have to face the facts as they are before us; and so we approve of the removal of the duty on a fairly wide range of British textiles.

I notice that most other products, excepting coal, will be subject to a tax of ten per cent or more. This tax, together with the high ocean freight rates, constitutes a fairly substantial protective tariff. When I looked over the schedules a small matter occurred to me. For example, why should soap powders and soaps, of which Britain produces a very large quantity, not be included in the free list? In a previous speech which I made in the house I referred to soap advertising, and a few days later I read in the Montreal *Gazette* a reprint of an article which had appeared in one of the United States women's magazines in which it was stated that the soap companies spent upon radio time alone, exclusive of the voices and scripts, the enormous sum of $30,000,000 per year. This is a substantial sum of money, and I believe that there is a field for further taxation in connection with that industry, or else British soap should be allowed to come into the country free of duty. I make one further observation in that regard. To my mind, more British goods should be placed upon the free list. I have always been in favour

of British commonwealth free trade, and I am glad to see a step being taken in that direction. I wish that under the pressure of war the government had gone a little further. As I have said, high ocean freight and insurance rates give Canadian industry quite adequate protection.

We are in agreement with the policy of prohibiting the importation of certain articles from the United States, because we believe that an embargo or a prohibition based on a well-thought-out plan is preferable to increased tariffs. But this prohibition places a responsibility upon the government, and I noticed that during the course of his remarks the minister recognized that responsibility. We have to see that the prices of Canadian-made articles which receive protection through this prohibition are adequately controlled by the war-time prices and trade board. I hope the government will reconsider its policy in regard to price control. We do not agree with the present policy of allowing price increases and then permitting appeals, as it were, to the prices and trade board. I have always thought that when war broke out what we should have done was to set a basic date for commodity prices, as they did in Great Britain in September, 1939, for a large number of articles. Then if the industries felt they required a higher price they could appeal to the board for permission to increase prices beyond that which prevailed on the basic date. I believe that to be the better procedure of the two.

I think our income and excess profits tax legislation will reveal that considerable sums of money have been made out of price increases. For example, I have been reliably informed that certain people interested in sugar—not in the raising of the sugar beet but in the manufacturing of the refined sugar —have made vast sums of money this year because of the increased prices which have been permitted by our government. Unless efficient control is exercised and severe penalties provided in connection with other commodities, huge fortunes will be made out of the war situation. Unless we watch this condition closely there is danger of playing into the hands of the great monopolies or near monopolies which to-day control our oil industry, our sugar industry and our tobacco industry—to mention only three which were subject of comment in the price spreads report of several years ago. In adopting this budget parliament should make such provision as will ensure that our people shall be protected against any exactions because of this new measure.

I take it that the excise taxes proposed will serve a dual purpose. First, they will restrict consumption because of increased prices and, second, they will bring in some revenue. The question I asked when I saw these excise taxes was: Whose consumption will the taxes decrease? I venture to say that the people who will have to forego buying the articles taxed will be those in receipt of the lower incomes. Those in receipt of higher incomes will be able to buy as before. Some of the articles which are being subjected to fairly high excise taxes are not luxury goods but actual necessities for many persons in the low income groups. For example, electric and gas stoves. In this city there are many rooms and many homes in which no provision is made for a coal stove and where consequently an electric stove is a necessity. Electric stoves, ranges, heaters, lamps, washing machines—even the toaster upon which many a poor working girl earning six or eight dollars a week gets her breakfast before she goes to business in the morning—are not luxuries to that type of person, and in that respect this is not a luxury tax but a tax upon something that is necessary to their way of life.

As I said a moment ago, for the well-to-do all that the new taxes involve is an increase in the price, thus depleting funds available to them for other expenditures, for luxuries, or for savings. Hence it will be seen that the incidence of the tax may not fall justly upon all our people. A twenty-five per cent excise tax on the range of goods to which I have referred is to my mind the most objectionable feature of the government's proposals, because it tends in some instances to lower an already too low standard of living.

Again I would point out in the same connection that we are trying to raise our war revenues all the time in the wrong places. We appeal for support for sales of war savings stamps and certificates. I recognize that such appeals are necessary and useful because every group of our people ought to be asked to do all they can in connection with our present effort. But these appeals are mostly to the small income groups upon whom the new excise taxes and increased prices will fall heavily, thus restricting their ability to buy war savings stamps and certificates. If, of course, the object is to divert the electrical supplies industry to war work, then perhaps rationing or licensing might have been preferable to increased taxation in this manner.

Canada must raise vast sums of money for the war effort. The method suggested will, I submit, not achieve the desired result. Neither the budget of last summer nor the supplementary proposals we are now considering will achieve that object. Therefore we must explore other possibilities.

Fifteen months ago, in September, 1939, when the war broke out, and many times since, we of this group have said that if our manhood is asked to give its life for this cause, then wealth ought to be asked to give itself to the same cause. Yesterday I referred to a compulsory non-interest-bearing loan for the duration of the war and one year afterwards which was introduced in New Zealand last July. In justice to our people—to our farmers who are depressed on account of the condition of their industry, and to those who are being asked to sacrifice some of their privileges in the industrial life of the nation—we should ask those who control vast accumulations of wealth to make a sacrifice and contribution equivalent to that which the same classes have been asked to make in our sister dominion of New Zealand. Such a proposal is not confiscation; it is merely a loan made to the country in her hour of need, and repayable when the danger has passed away. If a country like New Zealand can do it, I suggest we should be able to do it also. There are not in New Zealand the vast accumulations of wealth, Mr. Speaker, that we have in Canada. Everyone who knows anything about that country knows that there is a greater equality of wealth there; that vast fortunes are less in amount and certainly fewer in number than they are in Canada.

We already have provision for a non-interest-bearing loan on a voluntary plan, to which there has been some response—but a relatively small response in dollars and cents. New Zealand had a similar voluntary loan, as the following extract from their *Hansard* will show. I have the New Zealand Parliamentary Debates of the second session, 1940, from which I read yesterday. At page 307, speaking on June 27 of this year, the Hon. Walter Nash, Minister of Finance, had this to say regarding New Zealand's voluntary loan and the proposed compulsory loan:

> A start towards the provision of interest-free loans has already been made by generous voluntary effort on the part of many citizens, and to date nearly sufficient has been subscribed to balance the war expenses account to the end of last financial year. But that is not sufficient. It is not right that others equally capable of affording assistance should not make their due contribution. In this connection it is the intention of the government to formulate for the consideration of the house a procedure under which all who have means will be required to assist by subscribing to loans for these purposes. Those who already have or who may in the future voluntarily lend money free of interest may have the amount already subscribed taken into account in determining their total liability under this heading.

In order, Mr. Speaker, to bring this matter to the attention of the house more forcibly than can be done in the form of a speech, I propose the following amendment to the resolution, seconded by the hon. member for Vancouver East (Mr. MacInnis):

> That all the words after "that" in the said motion be struck out and the following substituted therefor:
>
> This house regrets that the government has not seen fit to introduce proposals for the raising of a compulsory war loan free of interest to be levied according to ability to subscribe.

We feel that this means of raising money should have been thoroughly explored by the government before new taxation was imposed on the people of Canada at this time. I know that the proposal I am making will meet with a response from a large number of our people, and I can say that because of an interesting experience that I had this autumn. When I was out in my constituency, one of the Cooperative Commonwealth Federation members of the Saskatchewan legislature, whose seat largely coincides with the southern part of my constituency, had been promoting the idea of a voluntary interest-free loan, to which, I may say, he himself, a farmer, had made a substantial contribution. I refer to Mr. L. H. Hantelman of Elrose. I was with him a good deal of the time as he went through his constituency and talked to the farmers and business men regarding the lending of money to the dominion at this time, free of interest, and he estimated that people in that constituency would raise among them a million dollars for our war effort—

An hon. MEMBER: Those poor farmers!

Mr. COLDWELL: Just wait a moment—on this condition, that the government of Canada would accept wheat on the basis of the present price and take that as a loan for the duration of the war. The first proposal was that it should be for one year, but then they realized the implications of that, under the storage conditions which exist in Saskatchewan at this time, and Mr. Hantelman has since been going over the district and suggesting that it should be for the duration of the war. The response has been equally good. I rather think that the minister will hear from him again in the near future. Here we have a group of people who for a number of years have been depressed but who in the time of their abundance of wheat and at some sacrifice are willing to make a loan interest-free to the dominion.

Mr. TRIPP: The hon. member would not suggest that Mr. Hantelman is "depressed" so far as wheat is concerned?

Mr. COLDWELL: I am asked if I would suggest that Mr. Hantelman is depressed so

far as wheat is concerned. I certainly would not, and I say that, wherever we go in any industry, we can find individuals who because of fortuitous circumstances are not afflicted with the depression with which their industry is afflicted. Mr. Hantelman happens to be one of the very few men in the province of Saskatchewan whose superior land and equipment are free of debt.

Mr. ILSLEY: Will the hon. gentleman permit a question? The offer is equivalent to an offer to lend cash, in view of our wheat board act, is it not?

Mr. COLDWELL: Yes—interest-free.

Mr. ILSLEY: There are facilities for that to be done now. It is just a matter of those farmers buying the non-interest bearing certificates which are available, if they want to do it.

Mr. COLDWELL: But may I say this, that with a delivery of eight or even twelve bushels to the acre at 50 cents a bushel at the local point, they have not been able to meet their accumulated obligations. And while, in the district to which I refer, many of them have had crops running from thirty to forty-five and even fifty bushels to the acre, they can hand over surplus wheat which the government can turn into cash, but they cannot themselves turn it into cash because they cannot deliver more than twelve bushels, the proceeds of which are required to meet their own running expenditures and other obligations.

Mr. ILSLEY: Because of temporary storage difficulties.

Mr. COLDWELL: Storage difficulties, yes, and of course those difficulties may continue a long time. They are quite willing to make this loan immediately if the product is accepted instead of the cash.

Mr. ILSLEY: We would have to find some place to store it.

Mr. COLDWELL: Well, I do not think the government would find that an insuperable difficulty.

In our opinion, this whole field of non-interest-bearing loans should be thoroughly explored.

There are sources of revenue of other kinds. I have in mind the increase to 100 per cent of the excess profits tax, and other means of improving our foreign exchange position. In our opinion the non-resident owners of Canadian property and securities should be taxed. The balance of interest payments against Canada, according to the *Canada Year Book* of 1939, the last issue which I happen to have in my office, was $246·2 millions in 1937. It seems to me that the non-resident holders of Canadian securities should be subjected to an increase in taxation at the present time, because the war effort of the Canadian people will protect their property and their security, and they should contribute substantially to the cost of that protection.

Some people may think that these are drastic proposals. They are not too drastic under the circumstances. I fancy that as the war proceeds we shall have to consider proposals even more thoroughgoing than those which I have placed before the house this afternoon. But, because they are drastic, our people have the right to know that the money which is being expended is being expended wisely, without waste, and well.

Last evening the Prime Minister (Mr. Mackenzie King) announced that he had agreed to the proposal made by the leader of the opposition (Mr. Hanson), that a committee of this house should be established to give constant supervision to the expenditures of money used in our war effort. That is all to the good, but I submit, Mr. Speaker, that that committee should have been established already and should be sitting now. A similar committee was established in Great Britain just a year ago; speaking from memory, I believe the Prime Minister said, December 12 of last year; and that committee has been sitting continuously ever since. So that we are now twelve months late, and there should be no further delay. If the committee were established now it would be possible for it to present a report when the house reconvenes and we would be able to discuss much more intelligently our war effort than we have been able to do at this session. I should have liked to have seen our standing committees appointed and at work as soon as we assembled in November. As an hon. member remarks, private members want something to do; they want to feel that they are actually doing something to assist the country at this time.

One further word. The leader of the opposition regretted that the entry to Canada of fresh fruit and vegetables had not been prohibited. I think I can understand the desire regarding this matter of those who live in British Columbia, in Ontario, and perhaps in the maritime provinces. But there is another side to that argument. Those of us who live on the prairies know perfectly well that our people cannot produce green vegetables until away on in June, even July, and that fruit, with us, except in a very good year, is very difficult to grow and to ripen at any time. Consequently we have to rely on fruit at some seasons from the immediate south.

Green vegetables, citrus fruits and other winter necessities we must get from that source. If it is ever found essential to prohibit the importation of these goods in order to protect the growers of British Columbia, central Canada or the maritime provinces, it should be done on a regional basis and the prairies should be exempt from such a prohibition.

We want Canada's war effort to succeed. We feel that under the leadership of those who are now directing the allied cause there is no danger of betrayal. For a good many years I felt that those who were leading the motherland and France prior to the outbreak of this war were desirous of seeing a strong Hitler and a strong Mussolini as a barrier against the rise of leftist movements throughout Europe. They showed that from time to time, I think, but they have gone, and have been replaced by men who all through the years were pronounced in their opposition to dictatorship of every sort. I believe we may have every confidence that our present leaders will carry on until the last threat to our democratic institutions has been removed and destroyed. For undoubtedly the fight now is against those who would destroy human freedom. Fortunately however the fight is not only against those who would destroy human freedom; it is also for a great extension of human freedom. That, it seems to me, is the positive attitude that we all ought to be taking in Canada at this time.

Believing this, we want to see the burden of the war placed more equitably upon the shoulders of our people, and particularly upon those who are best able to bear the burden. We want this war waged in a democratic manner until Hitlerism, fascism and dictatorships of all sorts and types have been removed from the earth.

I close, Mr. Speaker, with that thought. The suggestions that we have made and the amendment that we have moved have that objective in mind.

Mr. J. H. BLACKMORE (Lethbridge): I must say that I was agreeably surprised when the budget was finally brought down. It was much less severe than I had feared. I found a great deal in it to commend. But at the same time there are several aspects of the budget which in my judgment are undesirable.

In the first place it is a budget of scarcity, just as have been all the budgets brought down by the ministers of finance in Canada since the depression, or even before. It is a budget which tends to starve the goose which lays the golden eggs, to bleed the goose to death rather than to feed it, heal it and put it in an environment which will enable it to produce golden eggs of the finest quality and in the greatest number.

A nation might be likened to a farm. Granted that the farm is good, the owner will probably get out of it about what he puts into it, in time, labour and money. There are two types of farmer: the niggardly type, and the generous free-hearted type. The niggardly farmer, whose like we have all seen, spends as little as possible on his machinery, consequently is always having it break down just when he has a great pressure of work on. He works his land as little as possible, feeds his stock in a stingy way; his fencing is poorly done; his buildings are ramshackle and fastened together with wire; his attention to his farm generally is such as makes one feel that what he is thinking about when he is on his farm is how soon he can get away from it. He lacks that progressiveness and forward-looking quality which causes a man to rejoice in making his farm a home and a great productive enterprise, a place where he wants to be. He does not put into his farm love. The free-hearted farmer is exactly the opposite in all these respects.

Now I say this budget is a niggardly budget. The Minister of Finance (Mr. Ilsley) will probably feel that that is a severe statement. I make all possible allowances for his feelings in the matter and for his point of view, yet I repeat earnestly and sincerely that it indicates that the government of this land belongs to the type of the niggardly farmer rather than the free-hearted farmer. The farm they are administering is a magnificent one, of boundless resources, but they are so managing it that the goose will be killed, or at least its vitality reduced to the lowest level; and thereby they will fail to obtain the results which they and the people desire.

The budget is a backward-looking budget. It looks back to the last war and the years before the last war; it fails to face the facts of to-day and to-morrow. This is an age of plenty. It is astonishing how few people seem to realize that the last war was fought in an age of scarcity, while this war is being fought in an age of plenty.

Mr. CASSELMAN (Edmonton East): Have we plenty of United States exchange?

Mr. BLACKMORE: That is not a very intelligent question, so that I shall not deal with it here. I will deal with it off the floor.

This is an age of abundance. Somewhere between 1913 and 1928 the world rounded a corner. It left behind the age of scarcity and entered an age of abundance, in which men could produce more than the people were

enabled to buy. That fact has rendered it necessary for us to readjust our whole attitude toward the war if we would avoid mishaps.

As I have said, this is a budget of scarcity; it looks backward to the last war, not to to-day and to-morrow. This is an age of plenty, an age of machines, of science, of synthetic goods and improved processes, an age of colossal speed not only in aeroplanes, automobiles and ships but in every process that enters into the fabrication of goods and services for the use of humanity.

This budget is based upon the thinking of "have not" nations like Britain and France. It quite ignores the fact that Canada is a "have" nation. Canada's resources are so rich and so varied that to compare this country with a nation like Britain, whose resources are so much restricted, is to make the gravest kind of error. Canada is capable of being self-sufficient, of successfully applying the principles of economic nationalism.

This budget disregards the fact that a nation's fighting efficiency depends upon its people, their health, their strength, their morale and the productive power of the country both potential and actual. This budget tends toward inflation, because it tends to destroy productive power. The only thing that will prevent a great distribution of money in the country from becoming inflation is adequate productive power to absorb that money. This budget will tend to destroy production at the very time when, by loan or otherwise, vast quantities of money are being liberated into the country's avenues of trade. Therefore it has a tendency toward inflation.

The other day the minister spent a good deal of time dealing with the supposition that the proposals my group are making would cause inflation. Let the minister bear in mind that the very principles he is applying to-day are those which brought about the inflation of the last war; and if he pursues them consistently they will result in a greater disaster than any we knew as a result of the last war.

Now, having had some fault to find with the budget, may I point out some commendable features of it. In the first place there is a most refreshing frankness shown in the definition of exchange. I should like to read a sentence or two which particularly pleased me:

> First, however, let us recall the nature of the problem. Foreign exchange means, essentially, the money of other countries, with which we can buy goods in those other countries or make payments to people there. It is not like our own money, subject to the control of our national government. We can only obtain it by selling things to other countries . . .

[Mr. Blackmore.]

If only the people of Canada during the last ten years had been instructed by both Liberals and Conservatives on the hustings throughout the country that this was the thing which decided the exchange value of our dollar, they would have been in a far happier situation to-day. I continue:

> We can only obtain it by selling things to other countries or by getting payments from them for services rendered, or by borrowing it. We cannot simply go and buy it with our own money. People in other countries cannot use Canadian money for their own internal transactions and naturally they do not want it merely to keep or to hoard—they want it only to buy things in Canada or to make payments in Canada for services rendered to them by Canadians.

That is an admirable expression. There is truth in every phrase, in every word, and the significance of that truth is not even dreamed of by the majority of hon. members of this house. As an example, during the last election campaign in Alberta the people everywhere were told, either openly or in whispering campaigns, "Why, the new money won't be any good in other countries." See how widely at variance that sort of thing is with the principle so excellently expressed here!

Let the people know the truth; be honest with them. If there is one thing for which the people of Canada hunger and which they need above all else, it is the truth, the honest, bare, bald truth about the great economic factors that enter into our situation. I commend the minister because in this respect he has told them the truth. Tell the people that what gives our money value in Canada is goods in Canada.

I am sorry that when the minister was answering me the other day he failed to quite follow that principle. He did not stop to tell the people that if a billion dollars were issued in Canada it might be inflation or it might not, depending upon whether or not there were over a billion and a half dollars' worth of goods in Canada to be bought with the money; and that if there were a billion and a half dollars' worth of goods in the country to be bought with the money, it would not cause inflation. He did not tell them that, but that was the vital thing that should have been told. The value of our money in the United States depends upon the goods we have here which we can sell to the United States, as the minister has so admirably stated.

Another commendable thing about this budget is that it frankly faces the development of what is called economic nationalism. For some time, Mr. Speaker, there has been a tendency on the part of certain prominent men in Canada to run away from economic nationalism as something dreadful. They

"hush-hush" it; they say we must not have it, that it will cause war, and all that sort of thing. It was a grave error to talk like that. It was a grave error to think like that. Economic nationalism is a fact in the world, and Canadians need to face that truth realistically and courageously, and say, "Well, what are we going to do about it?" Here is the situation, and the minister does face it frankly in several respects. I commend him for having done so.

There have been definite trends towards economic nationalism in the world which everyone should have been able to see. Always, for the last ten or twelve years, when Canadian leaders have spoken of economic nationalism they have pointed to Germany, to Italy, or to some other country, when right across the line our next-door neighbour was taking every possible step to develop economic nationalism within that country.

Mr. ILSLEY: No; the trend has been the other way.

Mr. BLACKMORE: That is what they say, but that is not the way they act. The Hawley-Smoot tariff against cattle was a case in point.

Mr. ILSLEY: The hon. member said during the last ten years.

Mr. BLACKMORE: Yes, but they are still taking some steps the other way, too. For example, I am sure the minister has heard of the elaborate attempts being made in the southern United States to develop forests so that they can be free of the need of buying Canadian wood pulp. That is a definite step towards economic nationalism. I understand now, moreover, from a recent report, that the United States are taking careful steps to develop their own beet sugar seed production, so that they may be independent of the nations across the water. That, again, is a step toward economic nationalism.

I am sure I could find scores of such examples, if I took the trouble; and the minister could do so too. Perhaps the United States have been lowering their tariffs in certain respects. But so far as I can tell the only reason why they have been lowering their tariffs is that they have discovered that only by lowering tariffs and taking in certain Canadian goods would they be able to get Canadians to take in certain of the goods they desired to sell abroad. I will grant that the desire to sell goods abroad is not a tendency to economic nationalism, but to-day to a large extent the desire to sell goods abroad is the result of the failure to recognize and appreciate the existence of economic nationalism.

We find little Hawaii endeavouring to develop her own potatoes. Why is she doing that? She is doing it so as to be independent of maritime potatoes. That is the natural thing to do; it is the tendency toward economic nationalism. We read of Eire putting forth the very greatest effort to render herself self-sufficient. We do not condemn that action on the part of Eire; it is a tendency toward economic nationalism. The last report we have is that Great Britain is ploughing up hundreds of thousands of acres—I have even heard she is ploughing up millions of acres—and putting them into wheat. "Well," we say, "that is a sensible thing to do. Great Britain may be starved out." True, but the fact remains that that is a tendency toward economic nationalism. And if the British people once begin producing their own wheat successfully, it is not very likely that we shall recover that market after the war. It is a tendency toward economic nationalism. What causes it is another matter entirely. The thing that causes it is the tendency which is abroad in the world, a tendency which has arisen largely from the fact that we live in an age of machines. It arises, too, because of our monetary system, and because of several other factors it is not my business this afternoon to analyse, but which I could analyse for hon. members had I the time to do so.

It is noteworthy that Great Britain is becoming more or less economically nationalistic in her thinking. When the minister's budget was announced, the British trade commissioner, Mr. A. M. Wiseman, is reported in the press to have said, "Canada has been generous to Great Britain." Yes, she has,—in a niggardly sort of way. I will use the expression again; she has, in a niggardly sort of way. Canada believes that is the best thing she can do, under the system she is following. But it apparently has not dawned upon her leaders that she might change her economic and financial system, and thereby make a tremendous difference to the extent to which she might assist Great Britain.

Nevertheless the fact that Mr. Wiseman said that Canada had been generous to Great Britain indicates quite clearly that he realizes Canada is making a sacrifice. She is making a sacrifice by undertaking to buy British coal, when she can produce her own. The common-sense procedure would be, surely, to produce her own. The same is true of all the other commodities which Canada has "generously" agreed to accept from Great Britain.

The minister has said that Canadians can stand competition. Canada could easily

produce the products to be admitted from Great Britain, and probably could produce them quite as satisfactorily as she will be able to get them from Great Britain—perhaps even more satisfactorily. How, then, did it come about that so many Canadians came to decry economic nationalism? The very same men who decried economic nationalism will stand on the floor of the house and tell the people that the solution for the problem of the western farmer is that he must stop growing wheat and begin to produce other commodities. In other words he must go into diversified farming. Diversified farming is economic nationalism on a small scale, and economic nationalism for a nation is simply diversified farming on a large scale.

Why does the minister not go farther than he has gone? No doubt he has his reasons. When he was delivering his address I listened most attentively for some indication that Canada was going to produce and use her own coal. A report I have before me indicates that in 1939 Canada imported 14,998,645 tons of coal, and paid $41,578,685 for it. Most of that coal came from the United States. There are immeasurable deposits of coal in Alberta, and the men ready to mine it. There is equipment ready for mining operations to produce coal at economic prices. There are large numbers of railway cars and tracks in excellent condition. Why not bring that coal from Alberta? Why not bring it from Nova Scotia? Since I have come to this chamber I have sought a satisfactory answer to these questions, but I have sought utterly in vain.

According to the records I have, last year Canada imported 10,343,626 hundredweight of sugar for refining purposes, and paid $20,225,605 for it. When I first came to the House of Commons I began to point out to the people of Canada how important it was that they develop their beet sugar producing capacity. What has been done? My pleas, of course, have been completely ignored. But the fact remains that every pound of that sugar could be produced in Canada. Fifty per cent of the total sugar consumption of the Canadian people could be produced in southern Alberta, in the district south of Calgary.

We talk about foreign exchange! Well, it does not look as though the importance of foreign exchange has even yet fully impressed itself upon the minister. What about the amount of wool we are importing into Canada, despite the fact that we are a nation admirably adapted to the production of wool? What about the corn we are importing for the purpose of making starch?

Mr. MACDONALD (Brantford City): Why doesn't the hon. member produce wool?

[Mr. Blackmore.]

Mr. BLACKMORE: I am not discussing that point at the present time. I could discuss it with my hon. friend, but I do not believe I would be in order if I were to do so now.

Vegetable oils are coming into this country in quantities appalling to the western farmer who is producing animal fats. Petroleum and gasoline are being imported in vast quantities. I may be met with the reply that we are not now able to produce the petroleum and gasoline we need. Yet the other night the hon. member for Athabaska (Mr. Dechene) rose in his place and with a fine burst of oratory portrayed to the house the tremendous possibilities of the McMurray tar sands. What is being done about that matter? Definitely nothing,—notwithstanding the fact that we have in that district the repository of a quantity of oils which could render the British empire completely independent of every other source on earth. And we are rushing rapidly toward a time when the empire may sorely need those resources. But nothing is being done about it.

Mr. GRAYDON: Why?

Mr. HANSELL: Because they do not know where to get the money.

Mr. BLACKMORE: There is another matter to which I must refer. If I remember correctly, the minister stated that he did not desire that the shutting off of certain goods from outside should result in increased production of those goods in Canada. I am sure the minister will excuse me when I say quite frankly that I do not agree with him. Of course he will not take that very seriously, but I believe he will in a year or two. Increased production is exactly what we want. There may be reasons to be offered otherwise, but I am quite sure they can be met. I fancy that the minister assumed that this would be a short war.

Mr. ILSLEY: No, I did not.

Mr. BLACKMORE: I am glad to hear the minister say he did not. If this war is to be of ten years' duration, and if the economic structure of this country and the economic system we are following change as much in each one of the five or six years to come as they have in the last year; if the thinking of our people changes as much as it has done, then we shall be in a different world entirely. It will then become highly important that we have all the production that we ourselves can use, as well as what might be necessary for the support of mother Britain. Economic nationalism may be forced upon us after the war by the very forces which are now causing Britain to plant all those acres of wheat. We cannot blame her;

we know she has to do it. If we are not at that time in a position to produce the things we need; if we are unable to sell enough goods of which we have a surplus to buy the things we need, we are going to be in an unsound condition economically.

Finally, as I have pointed out, it is production of a wide variety that prevents inflation. Inflation has not nearly so much to do with the amount of money in circulation as it has to do with the goods in circulation. The minister assumes that there may be a shortage of these goods. All over the land to-day there is a tendency to make broad general statements and to swallow them without examining them in sufficient detail. For example, utterly unjustifiably optimistic remarks are being made in the press about the Rowell-Sirois report. It is necessary to examine the evidence for or against these statements. Let us examine the evidence with respect to the production of goods.

We are ready to agree that there may develop a shortage of such things as leather goods, assuming we neglect the production of live stock to the extent that we have no raw hides; or that we have to supply so many soldiers with shoes that we cannot meet the demand. But there is not going to develop a shortage of wheat, or of coal, or of various kinds of meat, nor need there develop a shortage of milk, or cream, or butter, or eggs, or cheese. For all practical purposes our capacity to produce these commodities is limitless. All we need to do is to see that we have the milch cows and the people who can learn how to milk. For the last ten years Canada has been doing her level best to deplete our milch cow population, and we may have to suffer for it now. If, however, we attack the problem in time, we may overcome the danger which threatens us. There are simply hundreds of kinds of goods in this country of which there is no chance that a shortage will develop, provided we use the simplest kind of common sense in managing this heritage of ours.

Our resources consist of our soil and climate, the forests, the mines and the fisheries. They are well-nigh limitless so far as our own national consumption is concerned. I repeat that while there may be a danger of a shortage developing in connection with certain kinds of goods, as I pointed out in my last speech there certainly is no sound logic in making people go without wheat in order to prevent them from using too many coonskin coats. The thing for us to do as a group of people managing this heritage is so to adjust our economy that our people may enjoy all they want of the kinds of goods of which we can produce in abundance. Then no one would object to being restricted. But the trouble with the budget and the policy of the government at the present time is that it is endeavouring to make us lack every kind of thing regardless of the question whether we can produce a particular commodity in super-abundance.

We hear a great deal about the danger of a shortage of labour. I have not gone out on the streets of towns in Ontario to try to hire men, but I know that in the provinces of Alberta, British Columbia, Saskatchewan and Manitoba there are simply tens of thousands of people who cannot buy jobs, let alone get them.

Mr. MACDONALD (Brantford City): Skilled labour?

Mr. BLACKMORE: If there is a skilled labour shortage, why in the name of common sense are we not putting our high school boys to learning the particular skills which are required? Everything is being left to chance. For example, a boy of eighteen who would be perfectly capable of learning to perform properly the most highly specialized technical task, within say two years, knows nothing to-day about the existence of that task, or where he can go to get training.

Mr. CASSELMAN (Edmonton East): Where would he get it?

Mr. BLACKMORE: If it is not known, then it is high time the government made it known. Facilities should be provided for training these boys. Is there any reason why we could not send our youth to the United States, to Britain, or to other countries where they could be trained? They could cross the ocean in a short time. No attempt is being made to meet this danger of a labour shortage.

Mr. CASSELMAN (Edmonton East): It would take a lot of exchange to send them over there.

Mr. BLACKMORE: The little bit of exchange it would cost to send them there to be trained in the highly technical skills in which there is a danger of a shortage of labour would not prove nearly as serious to the economy of the country as will the policy we are following to-day of allowing such a shortage of labour to develop, thus impairing our efficiency to produce the goods we need.

Mr. HANSELL: They should have been in training for the last five or six years.

Mr. BLACKMORE: There is another aspect of this labour question to be considered. There are great numbers of older men and women who are still skilful enough to do good

work. Let those people ask for jobs anywhere, and what answer will they get? They will be told that we must have the youth of 19 to 23 or 24; they will be told that we cannot think of anyone over thirty-nine. When I was a small boy it was the glory of a man to be able to do a real day's work at sixty-five. Hundreds of thousands of these elderly people—or scores of thousands, to be a little more careful—are still able and would be joyful to go out and do a day's work at sixty years of age. What measures are being taken to use these people?

Let me refer to still another aspect of this labour question. The United States has upwards of 11,000,000 unemployed.

Mr. MACDONALD (Brantford City): Where did the hon. member get those figures?

Mr. BLACKMORE: *International Labour News.*

Mr. MACDONALD (Brantford City): Are they recent figures?

Mr. BLACKMORE: Not recent—July, 1939.

Mr. MACDONALD (Brantford City): What is the recent figure? It is much lower.

Mr. BLACKMORE: Is it lower than 6,000,000?

Mr. MACDONALD (Brantford City): The hon. member said 11,000,000.

Mr. BLACKMORE: Is it lower than 6,000,000?

Mr. MACDONALD (Brantford City): The hon. member is making the speech. He said 11,000,000, and I am asking him.

Mr. BLACKMORE: That was the last figure I had, and it may be lower than that. During the last election campaign in the United States the figure of 10,000,000 was given. But if there are only 6,000,000 unemployed, that means there are plenty of men there for us to employ.

The minister talks of increasing our exports as a means of overcoming our exchange difficulties. In that he is on safe ground. He fears to subsidize exports lest he encounter difficulties with the United States.

There are indirect ways of helping to increase our exports. One of these is to decrease the cost of production, thereby lowering the price of our goods for export. Why not so manage that there would be lower interest rates on loans; why not consider the remission of freight rates and the application of discounts to the prices of goods used in production?

For example, in the use of mill feeds. (Some hon. members smile about this proposal. Last spring, Mr. Speaker, we gave to the Minister of Munitions and Supply and to the government absolute powers. If they have not used these powers to make the necessary adjustments, then so much more the reflection upon them because this parliament has done its share.) Why not a sales tax remission on goods entering into production so as to bring down costs and enable us to sell our goods on foreign markets? If we use our national credit, our goods-and-services producing and consuming powers, to increase production and modify the price structure, we shall be able to convert this country into a veritable arsenal to support the empire in war, and a veritable storehouse of goods to sustain our war effort.

May I commend the minister for his desire to assist Britain? We must help Britain; we must give Britain far more assistance than we can possibly expect Britain to pay for by sending over to us some of her bituminous coal and what-not. How are we going to do it? I say that Canada can assist Great Britain without debt to us, without taxation, and without taking away anything from our people, and she can give Britain goods up to the limit of Canada's ability to produce, so that the contrast between what we could do and what we are doing now would be enormous. We do not need to take Britain's bituminous coal or her other goods, fine gesture as it was on the minister's part to offer to do that. Does Britain need for other purposes her workers who are producing her coal? If she does, then in taking her coal we are causing her to put to work labourers who might be better employed. If she is not using those labourers, why not bring them to Canada and put them to work here?

We have in Canada, Mr. Speaker, a tremendous capacity for producing iron. Some people may say that our ore deposits are remote. Then why not bring them up close? Yes, laugh, with your prehistoric minds and antiquated thinking, but if the proposal were advanced that Hitler should have control of the Labrador iron fields, we should immediately become fearful because we know that Hitler would use them. How is it that Hitler could use them, and we cannot, when they are so much closer to us than they would be to him?

We have a tremendous capacity for producing iron and a wide variety of other products such as eggs, wood and lumber, copper, nickel, fruits, cheese; and all these things could be bought with Canada's credit and given to Britain in so far as we produce more of them than we ourselves need, and in so far as we can produce other goods which

would absorb the money which would have to be created by Canada and spent to buy the iron, etcetera, in Canada.

May I say a word or two with respect to the amendment which has been moved by the hon. member for Rosetown-Biggar (Mr. Coldwell). We are going to support that amendment. Our social crediters believe in debt-free money. This proposal has been refused by the minister, but perhaps he will live to wonder why in the world he could ever have thought that it was not a sound proposal.

Social crediters took the stand last year that we should have conscription of finance, industry and man-power. By conscription of finance we meant that the government should take over the power and the function of turning into money Canada's goods-and-services producing and consuming power, that the government should monetize Canada's credit. Once that were done, the amount of money at the government's disposal would be highly gratifying I am sure to the Minister of Finance. We felt that if that were done, it would be unnecessary to conscript industry because a government can control industry through the technique of prices, and it would be unnecessary to conscript man-power because men will go to-day where they can get money enough. So that was our proposal.

The government must have money, and money that is interest-free because the interest burden on this country is rapidly becoming so colossal that it is causing anxiety to all serious thinkers. Since our own proposal was refused, we intend to back the proposal that has been made this afternoon by the Cooperative Commonwealth Federation, that those who are able to lend money, who have it to spare, who are not using it for production or for economic consumption in Canada, should be called upon to lend the money interest-free to the nation.

Mr. ILSLEY: Is that what it means?

Mr. BLACKMORE: I take it that that is what it means. I have not asked them what it means, but the words mean that to me. It merely proposes to borrow the money. That is not so bad as conscripting our young men. If I had $100,000 that I was not doing anything with, I would rather a hundred times that the government ask me to lend it to the nation without interest than that they ask me that I give one of my precious sons. It is a simple proposal. It might be pointed out that in the army a man is earning $1.30 a day, but I think I could arrange matters so that he could earn more than that outside the army, and so could any other man in Canada who is well situated.

I do not think the proposal contained in the amendment would be a serious handicap to the Canadian people, although I wish to point out that the social credit concept does not envisage the taking away of money from the people.

I have given the reasons why I am going to support the amendment. I have also put my case with respect to the minister's budget. I wish to commend him for the moderation of the budget. I wish to commend him for all the various things I have mentioned, and I will say that considering the circumstances in which he is situated, the budget does him a great deal of credit. On the other hand I have pointed out the reasons why I oppose it.

Mr. ILSLEY: May I ask the hon. gentleman a question just to clarify his position? He says he would not take money away from the people, but he would be in favour of a compulsory loan to the government. How does he reconcile those two statements?

Mr. BLACKMORE: Perhaps I did not convey to the minister what I was trying to say, that is, that social credit as a philosophy does not envisage taking money away from people. But we are going to support the amendment moved by the Cooperative Commonwealth Federation, not because it is in accordance with social credit principles but because it offers a means whereby the government can obtain money without interest. Have I made that quite clear?

Mr. ILSLEY: As I understand it, the position is that the hon. member does not support the amendment as a matter of social credit philosophy or principle, but is supporting the proposal in this instance.

Mr. BLACKMORE: Because it is the lesser of two evils. The minister is proposing one very serious evil, and the proposal in the amendment is a little bit less evil than some of the minister's proposals.

Mr. MACDONALD (Brantford City): He is supporting the amendment because it is against his principles.

Mr. BLACKMORE: Against whose principles?

Mr. MACDONALD (Brantford City): Against those of my hon. friend.

Mr. BLACKMORE: If the explanation I have made has not been sufficient to make the matter clear to the hon. member, I am very sorry. It certainly does not reflect credit on his intelligence because I made my point perfectly clear.

Mr. MACDONALD (Brantford City): The hon. member has not made his point perfectly clear. The two viewpoints he expressed seem to me to conflict entirely.

Mr. BLACKMORE: They do.

Mr. MACDONALD (Brantford City): The amendment says: We will force the people to give us their money. The hon. member is supporting that. Yet at the same time he says: I do not agree with taking money away from the people.

Mr. BLACKMORE: I can understand why the hon. member cannot get this straight because he did not even get the resolution straight, and for that of course there was some excuse because he did not have a chance to read it but just heard it read from the chair. The amendment simply requires loans without interest, which is a long way from taking money away from the people.

Mr. MACDONALD (Brantford City): Do I understand that people would be free to lend their money without interest?

Mr. BLACKMORE: No; they would be required to lend it without interest.

Mr. MACDONALD (Brantford City): Is that not compulsory, if a person is required to lend it without interest?

Mr. BLACKMORE: Exactly, but is not taking your boy to go to war compulsory?

Mr. MACDONALD (Brantford City): I am not arguing that now.

Mr. MacINNIS: The hon. member is, however, arguing against the other proposal.

On motion of Mr. Church the debate was adjourned.

PRIVATE BILLS

FIRST READING

Bill No. 7, to amend the Divorce Jurisdiction Act, 1940.—Mr. Black (Yukon).

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

Thursday, December 5, 1940.

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

OIL CONTROL—BULK STORAGE TANKS AND OIL AND GAS STATIONS

Mr. HANSELL:

1. Has the oil controller for Canada prohibited the erection or establishment of bulk storage tanks in Canada?
2. If so, were the provincial governments consulted as to this action?
3. Has the oil controller for Canada prohibited the erection or establishment of oil and gas stations in Canada?
4. If so, were the provincial governments consulted before this action was taken?

Mr. MACDONALD (Kingston City):

1. The oil controller has prohibited the erection or establishment of new bulk storage stations used for the purpose of supplying retail vendors of gasoline and petroleum products for the use of vehicles driven by gasoline engines, including aircraft. This prohibition does not extend to the erection of additional tanks at existing stations.

2. The provincial governments were not consulted as such prior to the making of orders numbered 001 and 001-A.

3. The oil controller has prohibited the erection or establishment of new service stations in Canada.

4. The provincial governments were not consulted as such prior to the making of orders numbered 001 and 001-A.

The oil controller has had the fullest co-operation from the proper officials of the provinces of Canada relative to the orders mentioned.

FOREIGN EXCHANGE USED TO PAY FOR UNITED STATES MAGAZINES

Mr. NICHOLSON:

What was the amount of United States exchange used during the last fiscal year in payment of United States magazines brought into Canada?

Mr. CRERAR: Imports from United States of magazines and periodicals, fiscal year ended March 31, 1940: $6,633,677.

DOMINION-PROVINCIAL RELATIONS CONFERENCE

Mr. HANSELL:

1. Will the sessions of the coming dominion-provincial conference on the Sirois report be open to the public?
2. Will the conference be open to any or all members of the Canadian parliament and provincial legislatures?
3. Will the proceedings of the conference be reported verbatim and published?

Mr. MACKENZIE KING: The question of the publicity to be given meetings and proceedings of the conference will not be decided until the conference itself meets.

NAVAL STORES—PAYMENT TO CLARKE STEAMSHIP COMPANY

Mr. STOKES:

What commodities make up the item—"Naval Stores, Montreal, Quebec, Clarke Steamship Company, Limited, $19,412.10"—as mentioned in press release from the office of director of public information, dated August 2, 1940?

Mr. MACDONALD (Kingston City): Approximately 1,200 commodities, including stocks

of rope, various sizes, paint, kitchen supplies, tools, greases, ship hardware, mill-wright supplies, canvas, batteries, rockets, flares, drugs, engine-room supplies, pipes and fittings, electrical supplies, instruments, packings, medical supplies.

FREE TRANSPORTATION TO SOLDIERS ON LEAVE

Mr. ROSS (Calgary East):

1. What does the government estimate would be the cost of granting free transportation to his home to the average member of the troops in Canada when proceeding on the one leave known as "embarkation leave"?
2. Is the answer to question No. 1 based on the price of a one-way ticket?
3. How is the estimate arrived at?
4. Is the estimate based on first, second or third class fares?

Mr. POWER:

1. No definite figure can be given in reply to this question. It will be recognized that large formations of troops may be stationed within a few miles from their homes, or at a much greater distance. Due to the exigencies of war, it is not possible to predict for any time in advance where future troop concentrations may be required. It follows that this factor of distance is such a variable one, that no proper estimate can be made of the cost that would be entailed in paying the average soldier's fare to his home. Any figure that might be given would in all probability be not only quite inaccurate but might be misleading as to the cost in actual practice.
2. Answered by No. 1.
3. Answered by No. 1.
4. Answered by No. 1.

UNITED STATES MAGAZINES AND PERIODICALS

Mr. DESMOND:

1. What is the total value of United States' magazines and periodicals imported into Canada in each fiscal year since 1930?
2. What amounts of duty and taxes were paid on these importations in each fiscal year since 1930?

Mr. CRERAR: Imports from the United States of magazines and periodicals:

Fiscal year	Value	Duty collected*
1930	$4,140,690	Free
1931	4,116,620	Free
1932	3,639,820	$317,829
1933	2,683,191	600,700
1934	2,469,629	444,948
1935	2,539,724	461,925
1936	2,927,171	355,920
1937	4,507,233	Free
1938	6,261,241	Free
1939	6,427,149	Free
1940	6,633,677	Free

*No record of excise taxes.

JAMES F. SMELLIE, K.C.

Mr. FRASER (Peterborough West):

1. What superannuation or other allowance is being paid to James F. Smellie, K.C., recently retired from the position of registrar of the Supreme Court of Canada?
2. What salary was he receiving prior to his retirement?
3. Who was appointed in his place?
4. What salary is he being paid?

Mr. LAPOINTE (Quebec East):

1. Superannuation allowance, $1,200 per annum.
2. $6,000 per annum.
3. Hon. Paul Leduc, K.C.
4. $7,500 per annum.

RECOGNITION OF PROVISIONAL FRENCH GOVERNMENT—FRENCH LEGATION IN OTTAWA

Mr. CHURCH:

1. Does the government recognize the provisional French government of General De Gaulle?
2. Is there now any government regulation for inspection of the Vichy embassy in Ottawa, and, if so, by whom?

Mr. MACKENZIE KING:

1. General de Gaulle and his associates who are continuing to fight against the enemy do not constitute a provisional French government. They have not been so recognized either by the government of the United Kingdom or by the government of Canada.
2. The government is satisfied that no actions are being taken by the French legation in Ottawa contrary to the interests of Canada or her allies.

ASSISTANCE TO COVENTRY

Mr. CHURCH:

Will the government give consideration to making a contribution of food, clothing or other form of needed assistance or a grant to the mayor and corporation of Coventry, England, for relief and urgent general purposes?

Mr. MACKENZIE KING: While fully aware of the damage inflicted on Coventry and other cities in the United Kingdom by ruthless night bombing attacks, the government do not propose to make contributions to any specific city. The immediate requirements of such cities are being met by the national and local authorities in the United Kingdom itself. It appears advisable that any supplementary aid from Canada should be afforded by private funds and relief agencies, federal government funds being directed to more immediate war requirements.

CASUALTIES TO MILITARY FORCES IN TRAINING IN CANADA

Mr. CHURCH:

1. Have pensions been refused by the pension commission to widows and dependents of members of Canada's military forces killed in Canada while in training?

2. Has a ruling been given that they were not on military service when away from a camp on a pass and were killed in highway accidents through no fault of their own?

3. If so, how many cases have been considered or are pending before the board or commission?

Mr. POWER:

1. Yes.

2. No, but the Canadian pension commission has ruled, in some cases, that deaths were not attributable to military service as such.

3. Number of cases which have been considered—22. Number of cases which are pending—15. Number of cases which have not been considered as there are no known persons who were dependent on the member of the forces at the time of death—22.

FRUIT AND VEGETABLE IMPORTS FROM UNITED STATES

Mr. ROSS (Calgary East):

1. Of the fresh fruits of all kinds imported from the United States from January 1, to November 1, 1940, what quantity and value are of a kind grown (a) in Canada, and (b) not grown in Canada?

2. Of the vegetables of all kinds imported from the United States from January 1 to November 1, 1940, what quantity and value are of a kind grown (a) in Canada, and (b) not grown in Canada?

Mr. CRERAR:

1. Imports from the United States of fresh fruits entered for consumption in Canada during the period from January 1 to September 30, 1940:

Item—	Unit	Quantity	Value
Apples	Brl.	26,104	$ 132,941
Apricots, quinces, passion fruit and nectarines.	Lb.	2,730,297	93,112
Bananas	Stem.	1,121,835	2,375,353
Cherries	Lb.	703,887	86,963
Cranberries	Lb.	88,384	9,812
Grape fruit	Lb.	39,187,688	901,735
Grapes	Lb.	17,112,611	581,639
Guavas, mangoes, plantains and pomegranates	$	....	908
Lemons	Box	313,028	1,041,488
Limes	Box.	2,114	4,007
Musk melons and cantaloupes	Lb.	6,716,485	191,095
Melons, n.o.p.	No.	710,226	136,033
Oranges, mandarines and tangerines	Cu. ft.	4,553,058	5,268,358
Peaches	Lb.	7,498,139	222,787
Pears	Lb.	10,101,284	319,207
Pineapples	Crate	150,254	319,923
Plums or prunes	Lb.	8,564,038	316,739
Raspberries, loganberries and berries, edible, n.o.p.	Lb.	21,328	1,045
Strawberries	Lb.	4,636,363	442,926
Fresh fruits, n.o.p.	$	....	16,062

2. Imports from the United States of fresh vegetables entered for consumption in Canada during the period from January 1 to September 30, 1940.

Item—	Unit	Quantity	Value
Asparagus	Lb.	2,021,812	$ 139,517
Beans, green	Lb.	3,383,058	208,046
Beets, n.o.p.	Lb.	2,560,369	64,056
Cabbage	Lb.	27,489,824	419,915

2. Importe from the United States of fresh vegetables entered for consumption in Canada during the period from January 1 to September 30, 1940—*Concluded*

Item—	Unit	Quantity	Value
Carrots	Lb.	22,235,820	470,100
Cauliflower	Lb.	5,862,246	111,648
Celery	Lb.	20,492,535	688,102
Cucumbers	Lb.	1,283,005	74,875
Lettuce	Lb.	30,790,380	753,581
Mushrooms and truffles, n.o.p.	Lb.	28,397	3,569
Onions	Lb.	4,512,630	140,302
Peas, green	Lb.	1,946,345	95,658
Potatoes, sweet	Cwt.	38,308	105,414
Potatoes, n.o.p.	Cwt.	503,356	700,840
Spinach	Lb.	5,991,835	163,841
Tomatoes	Lb.	21,499,697	759,746
Vegetables, n.o.p.	Lb.	5,158,580	213,668

BRITISH NORTH AMERICA ACT—PROCEDURE UNDER PROVISIONS OF SECTION 56

Mr. POULIOT:

1. In accordance with the British North America Act, 1867, section 56-1. Whose duty is it (a) to certify as authentic a copy of any act mentioned in the third line of said section, and (b) to deliver same to His Excellency the Governor General?

2. To which one of his majesty's principal secretaries of state referred to therein is same act sent by His Excellency the Governor General?

3. Is the procedure described by the first four lines of the above mentioned section still in force?

4. If not, (a) what are the exceptions, if any, and (b) when, by whom, and why was such procedure repealed, amended or changed, and in the latter case, what was the change, if any?

5. Was the procedure mentioned in Nos. 1, 2 and 3 followed for the nine acts assented to by his majesty on May 19, 1939 (3 George VI, chap. 27 to 35 inclusive)?

Mr. MACKENZIE KING:

1. (a) The clerk of the parliaments certifies a bound copy of the statutes of each session of parliament for the purposes of section 56 of the British North America Act, 1867. This duty is imposed upon him by section 6 of the Publication of Statutes Act (Revised Statutes of Canada, 1927, chapter 2). It is not the practice to certify each statute separately.

(b) The existing practice is that the clerk of the parliaments sends the certified copy of the statutes to the Secretary of State for External Affairs, who sends it to the Secretary of State for Dominion Affairs. On July 1, 1927, the Governor General ceased to be the channel of communication between the government of Canada and the government of the United Kingdom, this change in procedure having been arranged at the Imperial Conference in 1926.

2. The Secretary of State for Dominion Affairs. However, as stated in 1 (b), the copy of the statutes is now sent to him by the Secretary of State for External Affairs.

3. No.

4. (a) The existing practice is that the copy of the statutes is sent, not by the Governor General, but by the Secretary of State for External Affairs.

(b) This change in the procedure was made on July 1, 1927, by the government of Canada, for the reason given in 1 (b).

5. No. These nine acts were included in the bound volume of statutes passed at the fourth session of the eighteenth parliament. A certified copy of this volume was sent to the Secretary of State for Dominion Affairs by the Secretary of State for External Affairs.

DOMINION-PROVINCIAL RELATIONS CONFERENCE

Mr. POULIOT:

In view of the coming interprovincial conference of January next, did the government send to each provincial government copies of the 1935 report of the special committee of the House of Commons on the British North America Act, 1867, and of the 1939 report of the Senate of Canada on the said act?

Mr. MACKENZIE KING: The government has not sent to the provincial governments any reports other than that of the royal commission on dominion-provincial relations.

LEAGUE OF NATIONS—CANADA'S EXPENSES

Mr. POULIOT:

1. What amount of No. 48 estimates for fiscal year ending March 31, 1941, for "the expenses

of the league of nations for 1940, including secretariat, international labour organization and permanent court of international justice, $150,410" has been spent up to November 27 of this year?

2. What is the amount of unpaid accounts up to that last mentioned date, if any?

Mr. MACKENZIE KING:

1. No amount had been paid out of the vote up to November 27th of this year.

2. The full amount of the appropriation, which is due in the current calendar year was paid on December 2nd.

RAILWAYS—PASSES TO GOVERNMENT EMPLOYEES

Mr. CHURCH:

Are any free return trip passes given government officials, civil servants or railway employees of all kinds in receipt of full civilian pay once a year over the railway systems of Canada?

Mr. CARDIN: Passes are issued only in accordance with the railway act.

JOINT DEFENCE BOARD—PUBLIC STATEMENTS OF MEMBERS OF CANADIAN SECTION

Mr. CHURCH:

Were all interviews and speeches of the members of the Canadian section of the joint defence board first submitted to and approved of by the government, and do they state government policy?

Mr. MACKENZIE KING: No member of the Canadian section of the permanent joint board on defence has given any statement to press or made any announcement of government policy in regard to problems of joint defence.

SHIPMENT OF SASKATCHEWAN LUMBER TO GREAT BRITAIN VIA HUDSON BAY

Mr. NICHOLSON:

Has the government considered the feasibility of cutting lumber this winter in northern Saskatchewan to be shipped to Great Britain via Churchill and the Hudson bay route?

Mr. HOWE: No. All Canadian lumber required by the British government in Great Britain is purchased by the British timber controller without direction by the Canadian government.

RATE OF PAYMENT FOR ROAD WORK BY RECIPIENTS OF RELIEF IN SASKATCHEWAN

Mr. NICHOLSON:

1. Has the federal government information that relief recipients living on farms in northern Saskatchewan have been required to work at the rate of 25 cents per hour for a ten-hour day on roads in order to qualify for relief?

2. Has this rate of pay been approved by the dominion Department of Labour?

Mr. CASGRAIN: No information.

[Mr. Pouliot.]

DELIVERIES OF WHEAT TO ELEVATORS—WESTERN DIVISION

Mr. PERLEY:

How many bushels of wheat were delivered to elevators in the western division from August 1, 1940, to November 15, 1940, on which the initial price of seventy cents was paid on each of the following grades: No. 1 northern; No. 2 northern; No. 3 northern; No. 4; rejected No. 2 northern; rejected No. 3 northern and rejected No. 4?

Mr. CRERAR:

	Bushels
No. 1 Northern..	115,760,783-45
No. 2 Northern..	67,381,423-20
No. 3 Northern..	18,484,411-50
No. 4 Northern..	1,745,490-00
Rejected 2 Northern..	182,900-25
Rejected 3 Northern..	25,790-10
Rejected 4 Northern..	1,973-00
	203,582,772-30

SECRETARY OF THE TREASURY BOARD

Mr. REID:

1. Who is the designated secretary of the treasury board, and (a) how long has he held such a position?

2. What salary does this official receive?

3. How long has he been in the employ of the government, and (a) what is the date of his first entry into the service, (b) in what department and (c) in what capacity?

4. Does this official have authority to handle reports, recommendations or other documents and to sign any of the same for or on behalf of the treasury board?

5. Are statements, recommendations or reports affecting the staff of the various departments handled by this official before presentation to the treasury board?

6. What other matters are handled by this official?

Mr. ILSLEY:

1. W. C. Clark; since November 4, 1932. (Under section 11 of the Department of Finance and Treasury Board Act, R.S.C. 23, the Deputy Minister of Finance is designated as ex-officio the secretary of the treasury board.)

2. Under Order-in-Council, P.C. 2361, dated October 24, 1932, Mr. Clark was appointed "deputy minister of finance and receiver general, with salary at the rate of $12,000 per annum, including the salary as ex-officio secretary of the treasury board."

3. Since November 4, 1932, when he entered the service of the government as deputy minister of the Department of Finance.

4. As secretary of the board, he has authority to sign reports as to the decisions reached by the board, to maintain the records of the board, and to carry out such other duties as the board may direct. The Department of Finance and Treasury Board Act authorizes

the board to communicate through the secretary with any public department, office or other person.

5. Statements, recommendations or reports received from the various departments for consideration by the board are handled and prepared by the secretary and the treasury board staff for submission to the board.

6. All the duties associated with the position of deputy minister in the Department of Finance.

NATIONAL RESOURCES MOBILIZATION—NUMBER FAILING TO REPORT FOR DUTY

Mr. DIEFENBAKER:

1. How many men, to whom notice was given of a call for training under the National Resources Mobilization Act, failed to report for duty, (a) in the dominion as a whole; (b) by provinces?

Mr. GARDINER:

1. (a) 169.

(b)

British Columbia	7
Alberta	11
Saskatchewan	6
Manitoba	1
Ontario	39
Quebec	94
New Brunswick	11
Nova Scotia	0
Prince Edward Island	0

WAR MATERIALS—EXPENDITURES IN BRITISH COLUMBIA AND PRAIRIE PROVINCES

Mr. DIEFENBAKER:

What is the total expenditure made by the government since September, 1939, in each of the provinces of British Columbia, Manitoba, Alberta, and Saskatchewan, for (a) building and construction; (b) munitions; (c) manufactured war supplies (other than munitions and food)?

Mr. HOWE: Refer to published "Record of contracts awarded." Refer also to page 262 of *Hansard*, showing money value breakdown for provinces. Refer also to the minister's reference to blanket questions, page 462 of *Hansard*.

COMMONWEALTH AIR TRAINING—SASKATOON

Mr. DIEFENBAKER:

1. What is the total expenditure to date for the establishment of the air training scheme at Saskatoon, in Saskatchewan?

2. What are the particulars of the tenders for construction therefor that were submitted?

3. Did the plans include a heating plant?

4. If not, has a heating plant been installed, and, if so, at what cost?

Mr. POWER:

1. The total expenditure to date for the construction of the hangars, buildings, roads, sewer system, water supply and delivery system, parade ground, walks and heating systems is $1,032,107.92. An additional expenditure for $4,173 was made at the relief field, Vanscoy, and $2,000 at the relief field at Osler.

2. Plans and specifications of the requested buildings were submitted to the Department of Munitions and Supply. Tenders were called by the above department; all quotations received were reviewed, and a recommendation made by the director of works and buildings of the Department of National Defence for Air. The lowest tender was accepted, and funds were raised to cover the cost. Tenders for the services such as roads, sewers, water supply, etc., were called locally by the local representative of the Department of Munitions and Supply. All quotations received were forwarded to Ottawa for approval, and for letting of the contract.

3. Yes.

4. See No. 1 above.

GASPÉ COUNTY, QUE., OIL DEPOSITS

Mr. ROY:

1. Is it true that prospecting for oil deposits in the York river basin, Gaspé county, which was under the supervision of the government of the province of Quebec, has been suspended indefinitely?

2. If so, were measures taken to (a) open up oil deposits, and (b) develop them for national defence purposes?

Mr. CRERAR: With respect to the first part of the question may I say that we have no information on that point. We do not know what Quebec has done in that respect. Part 2 of the question is answered in the same way.

ROYAL CANADIAN AIR FORCE—CASUALTIES IN CANADA

Mr. CHURCH:

1. Was any civilian inquest or military court of inquiry held into the deaths of members of the Royal Canadian Air Force killed in accidents as follows: (a) at St. Catharines, Saturday, November 23, two instructors killed; (b) near Ottawa, Friday, November 22, two killed; (c) at Camp Borden, November 19, two killed; (d) while on guard duty at R.C.A.F. huts at foot of Yonge street, Toronto, a resident of New Westminster, British Columbia?

2. Did any federal authority request civilian inquests to be suspended in these and other similar cases by municipal or provincial authority?

Mr. POWER:

1. (a) Yes.

(b) Yes.

(c) Yes.

(d) Investigation by local police resulted in the arrest of one man, who is now facing a charge of manslaughter as a result of this accident.

2. No.

WAR MATERIALS—CAPS AND HELMETS

Mr. DESMOND:

1. What is the total value of the contracts awarded by the Department of Munitions and Supply and its predecessor purchasing bodies from September 1, 1939, to date, for caps and helmets?
2. What are the names of the persons or companies to whom such contracts have been awarded?
3. On what date was each such contract awarded?
4. What was the type of cap or helmet specified in each contract?
5. What was the total amount of each contract, and what was the unit price?

Mr. HOWE: Refer to published "Record of Contracts Awarded". Refer also to pages 265 and 266 of *Hansard*. Refer also to the minister's speech, page 462, regarding blanket questions.

NATIONAL DEFENCE—SAINT JOHN, N.B. WAREHOUSE SPACE

Mr. HATFIELD:

1. Did the Department of National Defence rent a warehouse, or space in the warehouse, on Union street, Saint John, New Brunswick?
2. If so, what rental was paid for the warehouse, or the space in the warehouse?
3. What use was made of this space?
4. For what period of time was the warehouse, or space in the warehouse, rented?
5. To whom was the rental paid?
6. Is the warehouse, or the space in the warehouse, still under rental?

Mr. POWER:

1. Yes.
2. $200 per month.
3. As offices, accommodation for personnel, and garaging of vehicles, No. 7 detachment, Royal Canadian Army Service Corps, Saint John, N.B.
4. Lease for one year, commencing 17th November, 1939, and thereafter on a monthly basis as long as required by the crown.
5. To the lessor, Mr. C. J. Wilson.
6. Yes.

MILITARY CAMPS—SENTRY BOXES FOR WINTER USE

Mr. CHURCH:

Will the government, in view of the many military camps for the training of Canada's military forces all across Canada, give consideration to the making of a better type of open wooden hut for soldiers on guard duty?

Mr. POWER: The present standard type of sentry box is intended only to give some measure of protection from the elements in very inclement weather as sentries normally have to patrol their beat. Sentries are relieved every two hours but in very bad weather they can be relieved at the discretion of the commanding officer, i.e., they may be relieved every 15 minutes, if necessary.

[Mr. Power.]

*ROYAL CANADIAN AIR FORCE—PAY AND ALLOWANCES OF OFFICERS

Mr. MacKENZIE (Lambton-Kent):

What is the pay or the schedule of pay and allowances of all officers commissioned or non-commissioned in the Royal Canadian Air Force?

Mr. POWER: There is a very thick volume which contains the record of the pay and allowances for commissioned and non-commissioned officers in the Royal Canadian Air Force. If my hon. friend would like me to file this volume he could probably get the answer he requires. I do not know in what other way I could answer his question.

QUESTIONS PASSED AS ORDERS FOR RETURNS

NATIONAL RESOURCES MOBILIZATION—CONSCIENTIOUS OBJECTORS

Mr. COLDWELL:

1. How many men, not claiming to be conscientious objectors, have refused, to date, to report for training under the National Resources Mobilization Act?
2. How many men were affected by factories, or one factory in particular, which objected to send any men to camp?
3. What action has the government taken, or proposes to take, in regard to men, not claiming to be conscientious objectors, who refuse to report for training?
4. What action has the government taken, or proposes to take, in regard to factories which object to allow their employees to report for training?

Mr. GARDINER: I think I should answer parts 1 and 3 orally at the moment, and then I would ask the hon. member to permit this to be made an order for return, now tabled, in order that the answers may be fully explained in connection with the other two questions.

As to the first question, the number of men unaccounted for is 169. I should explain that this is not necessarily a case of refusing to report, because in many instances the notices did not reach the men.

The third question asks what action the government has taken, or proposes to take, in regard to men, not claiming to be conscientious objectors, who refuse to report for training. The answer is that all cases have been or will be referred to the police for necessary action. Reports to date indicate that an appreciable number of men notified to report at training centres had enlisted in the armed forces or were students taking their training at universities. Others had

previous military training, and some were ill. That accounts for practically all the cases which have been checked up to date.

I would suggest that the answer to the question put by the hon. member for Lake Centre (Mr. Diefenbaker), which I am tabling to-day—it has to do with the same matter—be read together with the answers to this question, which I suggest be made an order for return, now tabled.

Note: The question of the hon. member for Lake Centre above referred to appears at page 673 of this issue.

PROFESSIONAL MEN IN CANADIAN FORCES CARRYING ON PRIVATE PRACTICE

Mr. McGREGOR:

Are there any regulations of the Department of National Defence which prevent professional men, lawyers, physicians, architects, etc., who are officers in Canadian forces, from carrying on private practice?

Mr. POWER: Now tabled as far as army and air are concerned.

VOLUNTARY SERVICE REGISTRATION BUREAU

Mr. NEILL:

1. When did the voluntary service registration bureau start operations?
2. How many people are now engaged in the service of the bureau?
3. How many applications for employment have been received by the bureau?
4. How many people have received employment through the bureau?

Mr. CASGRAIN: Return tabled.

DARTMOUTH, N.S., AIRPORT

Mr. BLACK (Cumberland):

1. To what company was the contract for the excavation and grading work at the Eastern Passage airport at Dartmouth, Nova Scotia, awarded?
2. On what date was it awarded?
3. Who are the directors of the contracting company?
4. What was the total amount of the contract?
5. Did the company perform the contract itself, or was it sublet?
6. If sublet, to whom was it sublet and at what price?
7. Is this work now completed?
8. What amount has been paid to the contractor?
9. What amount remains to be paid?
10. Was any amount claimed by the contractor and disallowed by the government?
11. If so, what was the nature of such claim or claims, and what was the amount claimed?
12. Were any amounts paid to the said contractor without an engineer's certificate?
13. If so, on what dates and what amounts were so paid?
14. Was there an extension of the original contract?
15. If so, for what quantities and periods was the contract extended?
16. What is the total cost to date of all works undertaken at the Eastern Passage airport?
17. What is the estimated cost completed of all works undertaken or required to be undertaken at the Eastern Passage airport?

Mr. POWER: I am very anxious to have this question answered, but it involves research in the Department of National Defence, the Department of Munitions and Supply and the Department of National Defence for Air, so that I think it should be made an order for return. As soon as it is possible for me to get the replies I shall be glad to forward them to my hon. friend.

Mr. HANSON (York-Sunbury): That will be during the adjournment?

Mr. POWER: Yes, if I can get the information.

Mr. BLACK (Cumberland): I thank the minister. I want to point out that this matter has created considerable interest in Nova Scotia, in this city and in other parts of Canada, and I think we should have the information as soon as possible.

Mr. BLACK (Cumberland):

1. Was a cost-plus contract awarded for grading and surfacing runways for the Eastern Passage airport at Dartmouth, Nova Scotia? If so, to whom?
2. What was the departmental estimate of the cost of performing this work?
3. Did the company perform the contract itself, or was it sublet?
4. If sublet, to whom was it sublet and at what price?
5. Is this work now completed?
6. What amount has been paid to the contractor?
7. What amount remains to be paid?
8. Was any amount claimed by the contractor and disallowed by the government?
9. If so, what was the nature of such claim or claims, and what was the amount claimed?
10. Were any amounts paid to the said contractor without an engineer's certificate?
11. If so, on what dates and what amounts were so paid?
12. Was a supplementary contract awarded?
13. If so, what was the nature of the work to be performed under the supplementary contract?
14. What was the contract price provided for in the supplementary contract?
15. What amount has been paid to the contractor in respect of the supplementary contract?
16. What amount remains to be paid?
17. Who are the directors of the contracting company?

CARPENTERS EMPLOYED AT MILITARY CAMPS

Mr. LaCROIX (Quebec-Montmorency):

1. What rate is paid to carpenters employed on national defence works at Valcartier military camp, Quebec?
2. What rate is paid to carpenters employed on national defence works at Camp Borden, Ontario?

Mr. POWER: Return tabled.

CONSOLIDATED MINING AND SMELTING COMPANY

Mr. MacINNIS:

1. Did the government of Canada pay a subsidy to the Consolidated Mining and Smelting Company of Canada during the period from 1904 to 1919?
2. If a subsidy was paid, what was the total amount, and how much each year in the period mentioned?
3. Did the government of Canada pay a bounty on lead and zinc produced by the said company?
4. If a bounty was paid to the said company, what was the total amount?
5. Did the government erect buildings and install machinery on the said company's property?
6. What is the total amount of profits made by the said company from 1904 to date?
7. Has the government received from the said company any sum or sums on account of moneys advanced or paid?

CANADIAN HOSPITAL ACCOMMODATION FOR MILITARY FORCES

Mr. CHURCH:

1. Is the hospital accommodation for Canada's military forces adequate in the various military districts of Canada for those in training, or is there a shortage of accommodation?
2. At what distances from the various camps established under the present system, are there civilian hospitals, and have these all adequate equipment to take care of any cases that occur that cannot be dealt with at the various camps?
3. What hospital accommodation in the various military districts of Canada has been or is to be established by the government to take care of those now overseas if sick or wounded when they return home to Canada?
4. Has any hospital accommodation survey been made?

Mr. POWER: Order for return, tabled on behalf of army, air and pensions.

CHRISTMAS LEAVE TO MILITARY AND AIR FORCES AND GOVERNMENT EMPLOYEES

Mr. CHURCH:

1. On whose recommendation was Christmas leave limited to six days for Canada's army?
2. Is that the limit of time allowed for those who wish to come from the maritimes and the west, or the Pacific coast, to central Canada, on leave at their own expense?
3. On whose recommendation was leave at Christmas refused officers and men of the Royal Canadian Air Force?
4. What Christmas leave or holidays have members of the civil service not of Canada's military forces, or any employees of Canada's outside commissions?

[Mr P. C. Black.]

Mr. POWER: Mr. Speaker, this is an order for return, now tabled. But if the house would permit I should like to add a verbal statement with respect to this general question, either now or later. Possibly I could do it now.

On November 11 last my colleague, the Minister of National Defence (Mr. Ralston), issued a statement to the press in regard to the proposed Christmas and New Year's leave arrangements for members of the Canadian Army on active service in Canada. In the house on November 28, and in reply to the question from the hon. member for Lincoln (Mr. Lockhart), I again gave information in regard to the arrangements for leave for the army, and also at that time pointed out the impossibility of making any special holiday leave arrangements for the Royal Canadian Air Force. I would like, at this time, to amplify these statements.

In the first place, may I say that the guiding factor in the consideration of leave privileges to men on active service must be the defence and safety of the country and the obligations we are under by way of our war commitments. Under routine orders for the Canadian active service force, the members of the Canadian Army may be granted leave not exceeding fourteen days with pay upon completion of six months' continuous service with the Canadian active service force, and a further fourteen days' leave upon the completion of each subsequent period of twelve months. The six days' leave at Christmas or the New Year, which has already been announced, is in addition to these regular periods, and while it is hoped that the maximum number possible can avail themselves of the privilege, it is limited to the conditions that not more than fifty per cent of the unit may be absent at one time, and, furthermore, that the commanding officer must take into consideration the nature of the service being undertaken by the man concerned, and the necessity of having certain types of training completed speedily.

I realize that in cases where men are far distant from their homes a total absence of six days from their unit will not permit them to spend any time with their families. In such cases special arrangements are authorized in that where a man has not used up his regular fourteen days' leave, there may, with the permission of his commanding officer, be added to his six days' leave such number of days as he has available in order to enable him to carry out a lengthy journey.

In so far as the Royal Canadian Air Force is concerned, however, the situation is not by any means parallel. The entire personnel of the force is engaged either upon important

defensive operations or on the intensive programme of training flying personnel so urgently required for service overseas.

Under normal conditions personnel engaged in active and continuous flying are granted, as far as possible, twelve days' leave every three months, and fourteen days' leave every six months is granted to non-flying personnel. It will be readily realized, however, by hon. members that at no one time can any substantial percentage of the operational defence force be spared from their immediate duties.

The joint air training plan is engaged upon a programme of extreme importance and urgency. The courses are intensive, and continuous, and any interruption occasioned by the release for a period either of the pupils or the instructional and administrative personnel causes serious delay in the output of trained pilots, observers, air gunners, and wireless operators. I cannot feel that under the present circumstances any special grant of holiday leave can be justified. Under present arrangements pupils in the flying schools are treated as liberally as possible in the provision of forty-eight-hour passes when their commanding officers feel that this can be done without interruption of their training. At the conclusion of their course it is the practice of the force to grant adequate leave to enable them to visit their families before embarking for an active theatre of war or proceeding on other duties. Beyond this I do not feel I can at present go.

Before leaving this question I would make emphatic reference again to the practice common to all the defence services of endeavouring to ensure an adequate period of embarkation leave for all members of the forces before they leave their training stations either for defensive positions in Canada or for overseas. In all cases where units are now garrisoning vulnerable areas or are en route overseas, opportunity has already been afforded to the personnel to see their homes and families before leaving.

Many representations have been made both in the public press and directly to my colleagues and myself on the question of the provision of free transportation for members of the forces proceeding on leave. I feel that many of those who make these representations do not realize the magnitude of the question.

I have made careful inquiry into the practice during the last war and I find that in Canada free transportation was never provided for troops proceeding on ordinary leave. In certain cases men returning invalided from overseas, when their condition permitted it, were given free transportation to proceed on leave to their homes, and return transportation to the hospital where their medical treatment was to be continued. In 1915-16, when the gathering of the harvest was considered to be a work of national importance, free transportation to a maximum distance of 300 miles was provided for those proceeding on harvest leave.

In the present war the scale of pay and dependents' allowance is considerably in excess of that paid during the war of 1914-18. Members of the forces proceeding on ordinary leave are entitled to return tickets at single fare rates. My colleagues and I are agreed that any further financial concessions cannot be made under the present circumstances.

I do not wish hon. members to think that I am not without the greatest sympathy for families who are widely separated on account of the fact that their sons and husbands are on active service, particularly at the Christmas and New Year festival, but I must remind them that at the present time we must all, perforce, subordinate our natural desires and inclinations to the exigencies of war service.

EXCHEQUER COURT—CASES HELD UNDER ADVISEMENT

Mr. BLACK (Chateauguay-Huntingdon):

1. Are there any rules governing the time within which courts of federal jurisdiction must deliver judgment after taking a case under advisement? If so, what is that time?
2. If not, is the Minister of Justice contemplating introducing legislation to determine a period of that nature?
3. What is the number of cases presently under advisement by the Exchequer Court of Canada, showing cases (a) before the president of the court, (b) before the associate judge?
4. How many cases have been kept under advisement, by each judge, within the last twelve months, (a) for more than sixty days; (b) for more than four months; (c) for more than six months; (d) for more than twelve months; (e) for more than eighteen months; (f) for more than two years?
5. For what reasons is a case held under advisement for more than ninety days?
6. Is the Department of Justice keeping a record of judgments under advisement for more than ninety days?
7. Is the business of the exchequer court such as to warrant the appointment of an additional judge?

PRAIRIE FARM REHABILITATION—SASKATCHEWAN

Mr. PERLEY:

1. How many small projects, dams and dugouts, constructed under the Prairie Farm Rehabilitation Act, in the province of Saskatchewan, were accepted, approved of and the government committed to pay for in each of the years 1939 and 1940?
2. What amount was paid by the government on this account in each of the years 1939 and 1940, in the constituencies of Yorkton, Melville, Lake Centre, Moose Jaw, Weyburn, Assiniboia and Qu'Appele?
3. Which of the above were constructed by (a) contractors, and (b) individual farmers?

CANADIAN SHIPPING BOARD

Mr. McGREGOR:

1. What are the names of the members of the Canadian shipping board?
2. What is the racial origin of each?

Mr. CRERAR: Return tabled.

NATIONAL CONSTRUCTION COMPANY LIMITED

Mr. DIEFENBAKER:

1. How many contracts have been awarded to the National Construction Company Limited with head office at Prince Albert, Saskatchewan?
2. What are the amounts thereof?
3. When was this company incorporated?
4. Who are the directors thereof?
5. What is its total capitalization, and, of said amount, how much has been subscribed?

MOTIONS FOR PAPERS

AGRICULTURE—IRREGULARITIES IN WINNIPEG LABORATORY ACCOUNTS

Mr. MARSHALL:

For a copy of the report of investigation made by responsible officials of the department of the auditor general or of the Department of Agriculture into serious irregularities revealed in the accounts of the Winnipeg laboratory.

ST. LAWRENCE WATERWAY

Mr. CASSELMAN (Grenville-Dundas):

For a copy of all correspondence exchanged between the governments of Canada, United States and the province of Ontario or between any officials of the said governments from January 1, 1935, to the present time, referring to: (a) a double-stage development of the international section of the St. Lawrence; (b) a single-stage development of the international section of the St. Lawrence.

MIGRATORY BIRDS CONVENTION ACT—APPLICATION TO YUKON TERRITORY

Mr. BLACK (Yukon):

For a copy of all correspondence, letters, telegrams, communications and other documents passing between the Controller of Yukon Territory and any minister of the crown and any employee of the government of Canada concerning the application of the Migratory Birds Convention Act to Yukon Territory and the game ordinance of Yukon since 1935.

AIYANSH, B.C., PUBLIC WORKS

Mr. MacINNIS:

For a return showing: The amount of money expended by the federal government for works of any kind at Aiyansh on the Naas river, British Columbia, for the period September 1, 1938, to August 31, 1940, together with (a) the number of persons employed on such works, (b) the length of time employed, (c) the hourly or daily rate of pay, and (d) the amount received by each person during said period.

[Mr. Perley.]

MILITARY FORCES—FREE RAILWAY TRANSPORTATION AND SYSTEM OF INSURANCE

Mr. CHURCH:

For a copy of all correspondence, letters, telegrams and other documents from any organization or any other person or persons urging (1) free fares on railways for the military forces of Canada, and (2) for a system of insurance for our military forces.

Mr. POWER: I would ask the hon. member to name a specific date with respect to the second part of the motion. The hon. member asks for all correspondence, et cetera, from any organization urging a system of insurance for our military forces. My recollection is that that was a debatable question during the last war. I hope the hon. member does not wish me to go back to 1914-18.

Mr. CHURCH: I would like to have letters from municipalities in Canada, and from other public bodies asking for this legislation.

Mr. POWER: Since when?

Mr. CHURCH: I cannot give the date. The papers have been received by the government. One of the organizations is the Toronto city council; another is the East York township council, and there are many other municipalities.

Mr. POWER: Does the hon. member wish me to go back five years?

Mr. HANSON (York-Sunbury): Since the declaration of war will be good enough.

Mr. CHURCH: Since the war started.

MIGRATORY BIRDS CONVENTION ACT—APPLICATION TO YUKON TERRITORY

Mr. BLACK (Yukon):

For a copy of all regulations now in force affecting Yukon Territory made by the governor in council under the provisions of the Migratory Birds' Convention Act.

FORT OSBORNE BARRACKS, TUXEDO, MAN.—EMPLOYMENT OF F. WINCH

Mr MAYBANK:

For a copy of all papers, letters, telegrams, memoranda and other documents passing between the department of defence and the civil service commission and between the said department and the treasury board and between the civil service commission and the treasury board relating to one F. Winch, an employee as a fireman (or any other capacity) at Fort Osborne barracks, Tuxedo, Manitoba, and his employment in such capacity and his rate of pay from and including June, 1938, to date, and also for a copy of all such papers, letters, telegrams, memoranda, and other documents, passing between any individual or individuals and any department of government including civil service commission and treasury board over the same period and relating to the same subject matter.

Mr. ILSLEY: Documents and communications passing between departments of government or branches of the service, such as are called for by this motion, have been regarded as not properly producible by motion of this kind. They are interdepartmental communications, and I therefore believe that this motion should not carry. It should be dropped.

Motion dropped.

DARTMOUTH, N.S., AIRPORT

Mr. BLACK (Cumberland):

For a copy of all contracts executed since October 23, 1935, relating to (a) excavation, (b) grading and surfacing, (c) any other work undertaken, at the Eastern Passage airport at Dartmouth, Nova Scotia, and also a copy of all letters, telegrams, estimates, accounts, engineers' certificates, audit reports, memoranda and any other documents or papers referring to the said contracts.

Mr. POWER: It would be easier if my hon. friend would limit the order to a time since 1938.

Mr. HANSON (York-Sunbury): It goes back a little farther than that.

Mr. POWER: All right.

Mr. HANSON (York-Sunbury): It all belongs to one series of contracts.

JOINT DEFENCE BOARD—MATERIAL GIVEN TO THE PRESS FOR PUBLICATION

Mr. CHURCH:

For a copy of all addresses, correspondence, interviews, press conferences and all other facts published and given by the chairmen of the Canada and United States sections of the joint defence board or other members or officials, at Halifax, Vancouver and other cities in Canada and in the United States, respecting the joint defences of Canada and the United States, as given to the press for publication in both countries.

Mr. MACKENZIE KING: Order granted, and return now tabled.

Mr. HANSON (York-Sunbury): Does that contain all the twilight twitterings?

Mr. MACKENZIE KING: Yes.

WEIGHTS AND MEASURES—COAL

Mr. DOUGLAS (Weyburn):

For a copy of all correspondence, letters, telegrams and other documents exchanged between the government, or any department thereof, and any railway companies regarding the marked weight of cars of coal and the inspection of the same, and also a copy of all correspondence, letters, telegrams and other documents regarding the complaints received concerning the weights to retail dealers of coal, from January 1, 1935, to date.

GOVERNOR OF THE BANK OF CANADA

Mr. QUELCH:

For a copy of the order in council appointing and fixing the salary of the governor of the Bank of Canada, and also a copy of all subsequent orders in council in connection therewith.

Mr. ILSLEY: Return tabled.

RENT CONTROL BOARD—PETITION THAT CALGARY BE DECLARED A CONTROLLED AREA

Mr. COLDWELL:

For a copy of all correspondence, letters, telegrams, resolutions and other documents in the possession of the government relating to a petition requesting a hearing by the rent control board in Calgary, Alberta, in order that said city be declared a controlled area.

PRAIRIE FARM ASSISTANCE—SUPERINTENDENT'S OFFICE IN REGINA

Mr. PERLEY:

For a return showing:—

1. The names of all persons employed in the superintendent's office under the provisions of the Prairie Farm Assistance Act in the province of Saskatchewan at any time during the year 1940;

2. The dates of employment of each individual, the position held by and the salary and expenses paid to each such individual;

3. The premises leased under the provisions of the said act in the city of Regina, from whom leased, the area of floor space, the rentals paid and the sum expended on alterations, repairs, furniture and equipment;

4. Whether the employees were employed through the civil service commission, or on whose recommendation.

DOMINION-PROVINCIAL RELATIONS—CORRESPONDENCE WITH MANITOBA AND SASKATCHEWAN

Mr. ROY:

For a copy of all correspondence, letters, telegrams, memoranda and other documents exchanged between the dominion government and the governments of Manitoba and Saskatchewan since January 1, 1939, to the present time with reference to the royal commission on dominion-provincial relations.

BUSINESS OF THE HOUSE

PROVISION FOR ADJOURNMENT TO FEBRUARY 17—PAY FOR SESSIONAL EMPLOYEES

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

That when this house adjourns immediately after parliament has disposed of the financial legislation thus far submitted for its consideration, it stand adjourned until Monday, February

17, 1941, at 3 o'clock, p.m., provided always that if it appears to the satisfaction of Mr. Speaker, after consultation with His Majesty's government, that the public interest requires that the house should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the house shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, before this motion is put I should like to suggest to the Prime Minister (Mr. Mackenzie King) and to you, as Speaker, that some consideration be given to the members of the sessional staff of the house. During the past fifteen or sixteen months the house has met infrequently, and to my mind we are in danger of losing the services of some of the experienced help we now have. We may have to content ourselves with inexperienced help in the future unless something is done. I do not know what the government has in mind, but from conversations which I have had with hon. members on all sides I know there is a feeling that some consideration should be given at this time to the sessional staff. I hold the view that the government ought to be something in the nature of a model employer. We have often criticized corporations which from time to time have taken on people for a short while and then laid them off and allowed them to enter the ranks of the unemployed. I ask the government to consider this matter.

Mr. MACKENZIE KING: Some days ago the hon. member for Davenport (Mr. MacNicol) wrote me about the matter to which my hon. friend has just referred. I replied that I felt that the interests of the members of the service would be better served if the matter were left to the government rather than having it brought up in parliament at this time. The matter has since been considered by the internal economy commission, and I think the Minister of Finance (Mr. Ilsley) has the views of the commission on the matter. Perhaps he will state them to the house.

Hon. J. L. ILSLEY (Minister of Finance): The internal economy commission met to consider the question of the payment of the sessional staff between this part of the session and the next part after we meet in February. It has been found that the payment of the sessional staff during the two months' adjournment, over December and January, would involve the expenditure of $1,276.83 per day, or a total of $79,163.46.

There are 260 sessional clerks and employees. For example, there are 130 stenographers who receive $5 per day, which totals $650 per day. It will be realized that the rate of pay for stenographers on the sessional staff is much higher than the rate of pay prevailing in the service. This higher rate is paid because it is thoroughly understood that they must take the chance of the session being irregular and accept the possibility of being laid off between sessions. The sessional staff is not employed on the same conditions as permanent civil servants. It is paid by the day and its members are liable to be laid off when there is not sufficient work to justify their employment. Salaries are higher than in the government departments, but these employees must take the risk of being left unemployed during long adjournments or when a session is of short duration. They were not paid during the three-month adjournment from August 7 to November 5, 1940.

The matter of travelling expenses may possibly be raised, but the payment of such expenses to these employees is prohibited under the terms of standing order 89, which reads:

> No allowance shall in future be made to any person in the employ of this house who may not reside at the scene of government, for travelling expenses in coming to attend his duties.

The members of the internal economy commission were unanimously of the opinion that whatever the house might do, certainly the country would not approve under present-day conditions of an expenditure of nearly $80,000 which is not authorized and which has not been contemplated.

Mr. COLDWELL: Just a word of explanation. I did not intend to suggest that the government should pay full salaries. I did think that the government might be able to do something to aid the situation, since we have had some quite long adjournments. Perhaps some of the members of this staff might be used in connection with the conference in January.

Mr. ILSLEY: That can be considered.

Mr. ROBERT FAIR (Battle River): Mr. Speaker, it was my intention to ask this question to-day, but the hon. member for Rosetown-Biggar (Mr. Coldwell) got in just one jump ahead of me. I realize the position of some of the members of this staff—

Mr. SPEAKER: I must point out that this matter cannot be the subject of debate. A question was asked by the hon. member for Rosetown-Biggar and it has been replied to by the Minister of Finance. I have already read the motion which is before the house.

Mr. FAIR: I am speaking to that motion, and I believe it is debatable. I do not think it is fair that—

Mr. SPEAKER: Order. The motion with respect to the adjournment of the house has been put, and a question has been asked by the hon. member for Rosetown-Biggar and has been answered by the minister. There can be no further debate on the question.

Mr. CHURCH: May I ask the Prime Minister a question about the adjournment?

Mr. SPEAKER: I must insist that there can be no further debate on that question. A question has been asked, and in plain terms, and the minister has replied, also in very plain terms, and that is the end of it.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I should like to ask a question of the Prime Minister for information. If it should become necessary to call the house together at an earlier date than that indicated in the motion, would the Prime Minister be kind enough to give instructions that those members who live a long distance from Ottawa shall be notified by air mail or wire? They can send my wire collect, if they like. I am making the suggestion because when a previous hurried session opened I got here two days late, and two days after that I got my formal notice of the opening of the house. I think that out of consideration for hon. members some steps should be taken to notify them promptly by air mail or telegraph in order that they may get here in time.

Mr. MACKENZIE KING: I regret that my hon. friend did not get his notice promptly as to the time of meeting. The date was broadcast by radio, I know, and my hon. friend might have got the information in that way. However, I agree that members should get a specific notice by telegraph, and I shall give special instructions that any message that is sent to my hon. friend be prepaid.

Mr. FAIR: Mr. Speaker—

Mr. SPEAKER: Do I understand that the hon. member is addressing himself to the question before the house?

Mr. FAIR: Yes, Mr. Speaker. This is not the ordinary motion to adjourn, and because of that fact and because we may reconvene before the date set out in the motion, I think the payment of our sessional staff during the adjournment should be carefully considered.

The house will remember that in January last we had a very short session, and I know several members of the staff who did not make their expenses. Again this session members of the staff have come here from outside Ottawa, and if we are to adjourn over a long period it is unfair to ask them to pay their railway fares, which I understand cannot be allowed them because of some order that is made by the house. If that be the only objection, the house is still in session and we have power to change that order, and I think we should do so.

Several members of the staff have not had an opportunity to earn their travelling and living expenses while in the city, and something should be done for them by the government. Either allow them full pay, or at least part of their salaries, during the adjournment until February 17. I hope the government will seriously consider my suggestion.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, may I voice a protest, which is only my own but which may be shared by other members of the house, against this way of dealing with adjournments. We have examples that we should follow. We have one example in particular that is very good, and much better than any suggestions that may be offered by the leader of the opposition (Mr. Hanson). It is the example of the province of Quebec. The premier of the province will attend the dominion-provincial conference in the middle of January notwithstanding the fact that the Quebec legislature is meeting on January 7. It will adjourn for a week and then resume its proceedings afterwards. That is the first thing —an example that we might well follow; an example from the good old Liberal party of the province of Quebec.

There is a second matter which is of great importance. Our first duty here is not to make speeches but to enact legislation. We have been sitting here for a month and no legislation has been submitted to the house except by private members.

There is another thing, Mr. Speaker, and this is a very deep grievance which I lay before you and the government. It is that members are not well informed of the legislation that has been passed by parliament until they receive the statute book in bound form. In the province of Quebec there is another example—I would ask you, Mr. Speaker, to tell the leader of the opposition to keep silent when any hon. member is addressing the house. I do not appreciate those manners of his, and I am sure he was brought up very differently as a young boy. The sound of his voice annoys me. Therefore I would ask you, Mr. Speaker, to be kind enough to keep order when the member for Témiscouata is speaking so that he can be heard. The sound comes through the leader of the opposition's nose and not from his mouth.

Mr. HOMUTH: Your voice is no violin.

Mr. SPEAKER: I do not think the hon. member should address these remarks to the leader of the opposition, and I wish he would withdraw them.

Mr. POULIOT: I shall be glad to withdraw the remarks, Mr. Speaker.

I was saying that in the province of Quebec there is another example set by the good old Liberal party in the province, which I think we should follow. Every piece of legislation that is passed by the Quebec legislature is printed in the Quebec official gazette within a week after it has been passed by the legislature and assented to by the lieutenant-governor. But here we have to wait for months before we get our statute book. It was absurd that this session should start without members having available to them the statute book of the previous session.

This is one of the main objections that I have to the procedure that has been followed, and when this session ends I hope parliament will prorogue instead of adjourning to an indefinite date. I have, sir, made two suggestions; I made them very clearly, and I shall not repeat them for the benefit of those who do not understand what is stated in plain English.

You, Mr. Speaker, who are more familiar with British traditions than anyone else in this house, know that in Great Britain only a few days intervene between the prorogation of parliament and the opening of a new session. It is on account of the privilege that members of parliament have enjoyed for so long, of immunity from arrest over a certain period after the close of one session and before the opening of the next. Nobody has mentioned that here as an argument for the long adjournment of last session.

We can very easily be summoned to meet here at any time by notice in the official gazette. I will tell my revered leader the Prime Minister of a letter that I saw yesterday in my files. It was a notice sent by Sir Wilfrid Laurier in August, 1896, to every Liberal member, telling him it was his duty to attend the opening of the first session after the general election; and I assume that that practice was followed for some years afterwards. This year we met without notice to any individual member. Members were notified by an announcement in the press. I do not think that is the right way to deal with members of parliament. When we adjourn and go home I think we should be summoned here on some other authority than that of the press. We should be notified, either by you, Mr. Speaker, or by the Prime Minister, to come here and attend the sittings of parliament, and I assume that when this period of adjournment is over, whether we meet on the date which is mentioned, February 17, or are called before that time, or the sitting is postponed until some time afterwards, we as members of parliament will be officially notified that parliament will resume at that time.

There is another thing that I would mention. It is that we come here and find that nothing is ready. The Prime Minister told us that the government would have a fortnight to make preparation, in the month of February, after the sittings of the conference. But what sound legislation can be prepared in a fortnight? At any time sessions are opened, governments should be ready to submit a sound legislative programme.

Mr. SPEAKER: Order.

Mr. POULIOT: I see the leader of the opposition (Mr. Hanson) and his satellites laughing heartily and making gestures.

Mr. HOMUTH: Not with the hon. member, but at him.

Mr. POULIOT: I am speaking of the importance of legislation. He seems not to realize what we are here for. I am not here to listen to him, I am here to see that sound legislation is enacted for everyone in the land. And, sir, I regret to have to reiterate that nothing is ready. It will all be provided in thirteen days. It is like a quick lunch; we shall have to digest the indigestible. I hope that when we meet it will be, not to pass hasty legislation, but to scrutinize the estimates, and then we shall fulfil our duty to those who have elected us.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Before the question is put, I might be allowed to speak of one or two matters which have been referred to.

First of all, may I say to my hon. friend (Mr. Pouliot) who has just taken his seat that I have tried at all times as far as I could to be courteous towards hon. members with respect to matters pertaining to the sessions of parliament, as well as all else. I do not know whether that courtesy should be expected to go to the length of obliging me to write a personal letter to each hon. member in order to tell him that it is his duty to be in the house at the first meeting of a session.

My hon. friend referred to a letter which Sir Wilfrid Laurier wrote in 1896 to members of parliament. I believe I have seen a copy of that letter, and I think I know its purpose. Sir Wilfrid Laurier had just been returned to power. His government had come into office and was about to meet parliament for the first time, and Sir Wilfrid was anxious

to have all members of his party present so as to confer with them at the beginning of a new parliament, just as, I think, my hon. friend opposite did this year at the beginning of the present session; he had a party caucus at the beginning of the session with a view of greeting and meeting the members of his party. I do not believe that the letter of Sir Wilfrid Laurier was ever intended by him as an official notice of the obligation upon members to attend the sittings of parliament. The official notice is given by proclamation. I should feel that I was belittling the intelligence of hon. members were I to take it upon myself to send to each of them a letter indicating what their duty was in the matter of attendance. I make that clear because I should not like to have it thought that I was discourteous, least of all to my hon. friend, because I know what would follow if I were.

May I say to the hon. member for Rosetown-Biggar (Mr. Coldwell), who has spoken about the sessional employees, that, while my colleague the Minister of Finance (Mr. Ilsley) has given the house the information which it was necessary to give, the government naturally will wish, for example, as he suggested, in connection with the dominion-provincial conference, to make use of some of those who would not be employed at the time in the work of the Commons, and who might be of service when the conference is held. More than that I do not think I can say as to the position of the sessional staff.

I might mention, however, what I said to the hon. member for Davenport when he took up this matter with me privately. All over this country to-day are persons who are pressing to get any kind of government appointment, even for a few weeks. There is something of security—and that not any false sense of security—which belongs to those who were taken on at the beginning of the session and have been given to understand that they will be reappointed when the session continues. They are in a rather privileged position as matters stand at the present time.

My hon friend the member for Témiscouata (Mr. Pouliot) has spoken about sessions of parliament being for the purpose not of making speeches but of enacting legislation. I agree with him that the purpose is not that of making speeches, particularly speeches which have nothing to do with our war effort. I believe that is an aspect with respect to speeches which we should keep very much in mind at the present time, if we do not, I am inclined to believe that the public will judge us critically. No one can realize how very serious the situation of the world is to-day and not feel that everything else is comparatively irrelevant: I say "comparatively", in relation to the importance of this House of Commons and this parliament concentrating thought and effort upon matters relating to the war. I am not stating anything which is not wholly obvious when I venture to say, it is not the quantity of talk, it is the quality of the decisions reached which counts in all that parliament does. I do not think it is a sign of high intelligence that a long time is needed in discussion in order to reach a decision. It seems to me that most persons who are able to reach decisions promptly do so usually because they have already become pretty fully informed upon the subject matter with which they are dealing. One does not need to restrict one's opportunity to parliament in order to become informed with regard to most matters which are discussed here.

While I am speaking I should like to say a word about the view which has been so frequently expressed, that parliament should be continuously in session during the period of the war. I suppose every hon. member will agree that the parliament of the United Kingdom has a very much larger obligation, in matters of legislation, of war effort, and all else, than has this parliament of Canada. It has to legislate with respect not only to matters pertaining to the United Kingdom but also to those which relate to the large colonial empire and the empire of India. In addition it has the obligation of considering and deciding upon those classes of questions which in our country are considered by the nine provincial governments as well as the federal government. I mention these things because I believe it is helpful to have a true sense of proportion when we estimate the length of time necessary for discussion in the house as compared with such time as may be needed by the executive in order to carry out the policies which are decided upon here and the enactments that are passed.

I have had an estimate made of the length of time that the House of Commons in the United Kingdom parliament has sat since the beginning of the war. The period I have taken is the first year of war, that is to say, from the 1st of September, 1939, until August 31, 1940. I find that the sittings of the commons amount to 149 days. That represents 30 weeks of five days a week. It represents the entire period in number of days during which the commons have been in session in the British parliament in that period of time.

May I point out something else the significance of which I would ask hon. members to note. In the British House of Commons, in order that the ministers may be able

to discharge the heavy obligations that rest upon them at this time of war, parliament for the most part sits only three days in the week, not as we do, from Monday to Friday. The custom has been for the Prime Minister to indicate the days on which parliament shall sit, and after a careful survey of the British *Hansard* I find that both the late Mr. Chamberlain and Mr. Churchill, while they did not make a definite rule—because sometimes they might wish to meet on Monday and at other times on Friday—generally moved that, when the house adjourned on Thursday night, it should stand adjourned until the following Tuesday. That obviously would not be workable in Canada where hon. members have to travel such great distances. What I do wish to point out, however, is that the British parliament, with all its heavy obligations, has found it possible to limit the time of its sittings as indicated, and also has found it necessary to follow the practice I have indicated because of the exceptional burden which of necessity is thrown upon a ministry during a time of war.

I would point out further that so far as the government of the United Kingdom is concerned, as hon. members are aware, the cabinet is only a part of the ministry. The ministry itself is a much larger body and it has supporting it many of the most highly trained minds of the United Kingdom, a very large staff of exceptionally well-informed experts. In our public service we are fortunate in many of our departments in having officials who are well qualified to give the very best expert advice, but for ministers to have a chance even to confer with the members of their staffs at a time like this, and to do so in any careful detail, requires time and opportunity. If parliament, when we resume, is to go on sitting from Monday to Friday, I think we shall have seriously to consider at that time how we can make a division of labour which will at least afford more opportunity than has thus far been available, to enable the ministry in this time of war to deal with the pressing problems which arise not only from day to day but from hour to hour, and to have longer periods of time for cabinet consultation and conference.

While I am on this subject, may I remind hon. members of the difference between our system of government and that of the United States. Every now and then one hears it said that President Roosevelt is able to do this and that, that he is able to broadcast, to travel, and so on. He and his ministers are able to do this, it is said; why, therefore cannot the same be done in Canada? Well, under the constitution of the United States the ministers have no immediate obligation to congress. The president and his ministers, the secretaries of state, give their whole time to executive work and to submission of recommendations to congress. But so far as what would correspond to our parliament is concerned, either in the senate or in the house of representatives, they have no obligations beyond that of the president to appear occasionally before congress and the secretaries of state at particular times before committees.

I mention these facts only in order to help to make clear, not only to hon. members of this house but to the country generally, the position as it is in reality. If we consider the length of time necessarily spent by the ministry in Canada in dealing with questions of legislation and matters pertaining to their executive duties, and compare the position here with what it is either in the United States or in Great Britain, I think we shall find the comparison, from the point of view of the length of time accorded the ministry to fulfil its administrative obligations, more favourable to the executive in the United Kingdom and in the United States than it is in Canada.

Motion agreed to.

PRAIRIE FARM ASSISTANCE

ARRANGEMENTS FOR DEALING WITH APPLICATIONS AND MAKING PAYMENTS

On the orders of the day:

Mr. H. R. FLEMING (Humboldt): I wish to direct a question to the Minister of Agriculture (Mr. Gardiner). What arrangements are being made to speed up payments under the Prairie Farm Assistance Act?

Hon. J. G. GARDINER (Minister of Agriculture): The hon. member was kind enough to give me a copy of the question before I came in, and I have had the following answer prepared:

Regulations under order in council P.C. 3887, dated August 13, 1940, provided that applications for assistance under the Prairie Farm Assistance Act be submitted prior to the fifteenth of September and be supported by such information with respect to the average yield of wheat in the township or other area as may be available.

Applications were received from a large number of municipalities for all three provinces, and, of the townships for which applications were received, 1,950 were found to have a yield of thirteen bushels or less according to standing crop and stook-thresher estimates made by field inspectors.

These 1,950 townships were again visited by field inspectors to check acreage reports submitted by farmers, to determine farms on which the average yield of wheat is in excess of eight bushels per acre and on which the

production of wheat is in excess of three thousand bushels and to obtain complete information with respect to township yields and farmers' status for the board of review.

The board of review began the examination of reports on November 4 and dealt with two-thirds of the applications received. Complete information was not available for the other townships; further reports have since been received and the board reconvened on December 2.

An emergency year was declared by order in council P.C. 6650 on November 20, 1940.

Because of delays in a number of townships for which complete information is still not available and difficulties in transportation conditions, it has not yet been possible to determine the exact number of townships which may be included in the crop failure category but it is expected that this can be done within the next few days.

Many applications have been received since September 15 for both township assistance and area substitution. It may be possible to deal with some of these under the regulations, but others will have to be rejected.

A large number of schedules for different townships have been completed and it is expected that the issuing and mailing of cheques will commence within the next few days.

It should be possible to have cheques for first payments under the act mailed to the great majority of those who will be eligible to receive them during December but it is not believed that this can be done in all cases.

NICKEL AND SCRAP IRON

REPORTED STATEMENT OF DR. ROBERT MCCLURE AS TO SHIPMENTS TO JAPAN

On the orders of the day:

Mr. T. C. DOUGLAS (Weyburn): In view of the statement made by Doctor Robert McClure, International Red Cross Director for China, speaking in Toronto last night, to the effect that "only last week a shipment of nickel was sent to Japan and will soon be found in the bodies of British soldiers," will the Prime Minister tell the house whether or not nickel is still being shipped to Japan, and secondly will he give some assurance to the house that this shameful traffic will be stopped?

Right Hon. W. L. MACKENZIE KING (Prime Minister): My hon. friend was kind enough to give me notice of his question, and the hon. member for Fort William (Mr. McIvor) also came around with a similar notice with respect to this matter.

Let me say at once that no nickel has been shipped to Japan, as far as the government is aware, since the beginning of this year. My hon. friend speaks of an assurance. That assurance was given at the beginning of this session; not in the words which have been used by the hon. member, regarding a "shameful traffic," but an assurance that no permits would be granted for the export of nickel to Japan at this time, for reasons which were made quite clear in the statement.

I should like to take advantage of the question which my hon. friend has asked to read to the house the full report of what was said last night by the gentleman to whom the hon. member has referred, and I would ask hon. members to consider while I am reading it whether they feel that any responsibility is to be attached to utterances which are expressed in language such as appears in this speech, and also whether or not utterances of the kind are not very dangerous at a time like the present.

The dispatch which appeared in this morning's Ottawa *Citizen*, and I assume in the other newspapers as well, is dated Toronto, December 4, and is as follows:

> Dr. Robert McClure, International Red Cross director for China, said in an address here to-night that Canadian nickel was being shipped to Japan as recently as last week "and I expect some one will soon be digging it out of British bodies."
>
> He said the reason is that "Canadian merchants want the profit."
>
> "For three years I have been digging Canadian scrap iron out of Chinese bodies and I expect someone will soon be digging it out of British bodies, for Japan is now ready to attack Singapore. That is all her build-up in French Indo-China means. . . ."

I want to repudiate a statement of that kind just as strongly as it is possible to do so. I cannot understand how anyone holding any kind of responsible position could allow himself to use words of the kind in regard to a situation so delicate as is the present international situation.

I saw this report this morning. A telegram was sent immediately to Doctor McClure by the under-secretary of state for external affairs. When a reply is received I shall be pleased to give it either to the house or to the press. The telegram was as follows:

> Canadian Press despatch in this morning's Ottawa *Citizen* quotes you as saying in an address in Toronto that Canadian nickel was being shipped to Japan as recently as last week. No nickel can be exported from Canada without a permit, and no permit has been granted for export to Japan since January 2nd, 1940. If you have any evidence of specific illegal shipment please communicate it at once so that the government may institute necessary investigations with view to prosecution. If you have not please correct Canadian Press report for publication.

Perhaps I might be permitted to add a word in reference to the export of scrap iron, since scrap iron was also mentioned by Doctor McClure. I stated to the house at the beginning of the session, and I repeat now, that no permits have been issued for the export of scrap iron to Japan since the autumn of last year.

TRADE AGREEMENTS

INQUIRY AS TO TABLING OF AGREEMENTS WITH BRITISH GOVERNMENT RESPECTING BACON

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): On Monday last in reply to the leader of the opposition (Mr. Hanson), with respect to the tabling of the bacon agreements, the Minister of Agriculture (Mr. Gardiner) made this statement:

> There are some features of the agreement which have yet to be discussed with the other parties concerned before it can be brought down. As soon as that is done, both agreements will be brought down.

Would the minister state to the house how this discussion is progressing; whether it is by correspondence, verbally or by cable; with whom it is being conducted, and if there is any possibility of the agreements being tabled before the house adjourns. I think the minister knows that at this season of the year it is important that the farmers should have some definite information in this regard.

Hon. J. G. GARDINER (Minister of Agriculture): I think the discussions were to start this morning; the board was to reconvene in this city. I am not certain that the members have arrived and are carrying on the discussions, but just as soon as I have information from them the agreements will be tabled. If there are any parts of the agreement that cannot be tabled for the time being, I will bring down all that can be tabled.

WAR BUDGET

CONTINUATION OF DEBATE ON PROPOSALS OF MINISTER OF FINANCE FOR CONSERVATION OF FOREIGN EXCHANGE

The house resumed from Wednesday, December 4, consideration of the motion of Hon. J. L. Ilsley (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, and the amendment thereto of Mr. Coldwell.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, the motion of the Minister of Finance (Mr. Ilsley) to set up the committee of ways and means furnishes an opportunity which is of great importance to the people of Canada. It has in its favour constitutional practice going back two hundred years. The hon. member for Rosetown-Biggar (Mr. Coldwell), leader of the Cooperative Commonwealth Federation, has moved the following amendment, seconded by the hon. member for Vancouver East (Mr. MacInnis):

> That all the words after "that" in the said motion be struck out and the following substituted therefor:
>
> This house regrets that the government has not seen fit to introduce proposals for the raising of a compulsory war loan free of interest to be levied according to ability to subscribe.

The leader of the Social Credit group (Mr. Blackmore) supports that amendment. He said:

> . . . that social credit as a philosophy does not envisage taking money away from the people. But we are going to support the amendment moved by the Cooperative Commonwealth Federation, not because it is in accordance with social credit principles but because it offers a means whereby the government can obtain money without interest.

I am hoping that during the recess the Prime Minister (Mr. Mackenzie King) will pay heed to the handwriting on the wall and give some consideration to forming a national government. The Conservative party gets much of its support from the working classes, the trades unions and those engaged in agriculture. It receives strong support from the members of our trade unions because it is a protectionist party. In view of the grave disaster which awaits the British people unless the empire wakes up, I believe the time has come when the government and the head of the government should have a conference with representatives of labour, industry and agriculture in order to see what can be done immediately to help Great Britain in her lone fight against the forces of darkness and paganism in the defence of civilization and freedom, and should abolish the duty on British imports if such action will not hurt labour and industry. I did not wait until war broke out to urge rearmament; I have been urging it since 1937 when Britain first started to rearm. Between now and when parliament meets again, I believe the government would be well advised to take representatives of the opposition, other groups in the house, labour and the trade unions, into the ministry. If labour were represented in the government, then I believe that all these political theories with reference to the tariff and other matters would be put, with all politics, into cold storage until after the war was over. Let us have a really national government so that we may have unity and war action.

Thanks to the British fleet and our air forces, Canada and the United States will be able to enjoy Christmas free of the fear of invasion. The splendid primate of the Anglican church, the Most Reverend D. T. Owen, Archbishop of Toronto, has pointed out that we should take some of the load off England, which has supported Canada and missions here for years. This budget, in so far as it lowers duties on goods from Great Britain, is a step in the right direction, but it does not go far enough. The primate ably points out that England is carrying a huge burden in the defence of Christianity and freedom, and he suggests that the members of the Church of England should shoulder part of the burden and maintain their own missions. Great Britain has established many of these in the past.

The amendment and the subamendment show the real need for a national government composed of representatives of all classes. This is the worst war in the history of civilization. It may destroy religion and Christianity. The Social Credit and Cooperative Commonwealth Federation groups are both minority groups in this parliament, but the latter, although few here in numbers, has considerable influence among the working classes, as was shown by the last election. I object to the war being used by them as an opportunity to urge their plans, to put across their own cures, remedies, prescriptions, palliatives, patent medicines and gold cures for the economic ills and financial and social burdens of the country. They are using the dire straits in which Britain finds herself to-day to put over their remedies and divide this country when it should be one from coast to coast, with all its citizens ready to support the government. This is what should be done as long as the government are carrying out their duties and doing a real war job, and if they run the war in a non-partisan way, but not otherwise.

The socialist party in this house—that is really what they are—is patterned after the socialist wing of the Labour party in Great Britain. The other day I referred to the way in which the government of Great Britain had obtained the support of the socialist branch of the Labour party by taking into the ministry two of its representatives, Mr. Bevin and Mr. Morrison, who are doing a splendid job, although, before they became ministers, they were pacifists and bitterly opposed rearmament. If a similar course were followed in Canada, then we would have a united war effort. The country wants to find out the truth, the way and the light about our war effort before we go into committee of ways and means. Does this budget add to our security, which is better than opulence, or does it not? The people have been left in darkness. How are they going to find out about the situation? Parliament might just as well meet in secret, for all the reports that are published. The proceedings are not even reported. If the taxpayer or the man on the street has a grievance, there is only one place where he can air it—in this parliament.

What is the position of affairs to-day? In the past the people have looked to the press. The acid test of a newspaper is how it reports this House of Commons. I have always advocated the removal of all censorship on the press. In my opinion such censorship is a farce. There are some censors in Toronto and elsewhere who were formerly hockey and turf reporters. They know nothing about finance or defence or war or foreign affairs. The people are being left in darkness. If this continues, it will lead to trouble, as Mr. Chamberlain in January, 1938, pointed out, and the country will be, as he said, left to a course of secrecy that will spell disaster.

Criticism should prove a tonic for any government. It should urge and arouse the government to action. This budget has been called a baby budget. The minister is one of the baby half-backs of the government, and he is making some fumbles. This budget is really more important than the one presented in July in the last war session because it contains more changes in economic principles and important tariff departures not known before. I believe it will prove to be of more importance than the main budget which will be presented next year because it will be the framework for the 1941 budget. In my opinion the presentation of this baby budget should be made the opportunity for an inquest into our whole war effort. We are spending a billion dollars a year, and we should be told what is being spent for war purposes and what is being spent for purposes other than the war, but in the name of war only, and what is primary and what secondary. We should be told this before it is too late. Some of this money is being spent to keep up useless legations and all that kind of thing.

Some of the money which the minister seeks to collect by means of the various amendments to the tariff will not be spent for war purposes. Many of these expenditures should be eliminated, and they could be eliminated by further drastic economy in civil administration and by coordination within the civil service. There have been no signs of economy. What amount is being spent on the battle of Britain? On May 20 I asked for certain information about recruit-

ing and for all orders in council on soldier matters. Apparently we are carrying on a Liberal war, because no return was ever made; apparently some official stopped it. We now have this budget which provides funds, first, for conscription for home defence and, second, in order to protect the neutrality of the United States. All the money collected by this new budget should be spent upon the battle of Britain and the battle of the Mediterranean before it is too late. We have been too late in everything.

I should like to say to the Prime Minister, who is not in the chamber at the moment, that I challenge every statement he made in this house the day before yesterday about our war effort and about things looking brighter. I make the same challenge as was made in New Zealand and Australia when recruiting was stepped up. The money raised by this budget should be spent for war purposes and the taxpayers of this country should not be taxed the way they are for non-essentials and so-called luxuries. Our primary object should be to help the mother country. As I said before, this budget is of more importance than the main budget which will be brought down next year. It contains two cardinal principles. First, the government wants to increase all production and, second, the government wants to restrict consumption, both private and public, as much as possible.

The man on the street wants to know about this budget and the debates in this house. He does not object to paying taxes if they are used for the defence of civilization, freedom and religion, in the battle of Britain, but he does object to paying taxes for things that are of secondary importance, such as home defence, and many other useless expenditures, for example, on the old league; a new one, pan-Americanism; collective security and pacifist doctrines. The House of Commons is the only forum where a person can have his grievances dealt with and learn the facts. The man on the street does object to his grievances not being ventilated, and he does object to the press not giving some report of what goes on in the House of Commons, because he desires to learn what the policy of the government is, what a minister proposes, and what is proposed by the official opposition and by the hon. gentlemen of the two groups to my left on the other side of the budget debate.

I have no bouquets to throw at the government, because I am greatly dissatisfied with the war effort of the government, both before and since the war started. Down to the hour of the outbreak of war they had done nothing but support neutrality and disarmament. For four or five years in this house I have been

urging rearmament. I did not wait for the war to start to urge that a rearmament budget be brought down. For the past five years I have forgotten politics and have worked in and out of the house to arouse the country from its apathy to the proper need for security and preparation. I have not made speeches as far apart and different as the poles and a right-about face. I have been a consistent supporter of the rearmament policy of the government since they started to take up this work.

One of the main things to which I object in this budget—and this is the second we have had; the minister should be able to combine them in one—is that we have nothing to relieve real estate or the municipalities, whose revenues have been taken away. Instead, the government is making up its budget with an income tax, an excess profits tax, and all these federal burdens which are placed upon the municipalities, with resulting overgovernment and overtaxation, and appropriating municipal revenues such as income tax and other taxes. We have no redress in this respect. Another thing I object to is the unfair way in which, in connection with the Municipal Assistance Act, the money provided for relief and relief works has been distributed. Ontario got nothing.

After the collapse of France, Mr. Churchill said, regarding the budget, that members of parliament should "search their own consciences, as I frequently search mine," because everybody has made mistakes. It seems to me, in looking at both the amendment and the subamendment, that the only use in recriminating about the past is to enforce effective action at the present. We seem to have done everything too late. As I see it, panic has stimulated the government to action. Britain and France learned to their sorrow from bitter experience that constructive criticism prevents governments from reacting into blunders which are nothing but suicide. So long as criticism is honest, founded on facts and not inspired by any ulterior political motive, it is more helpful, urgent and necessary in war time than in peace.

With reference to this particular debate on the budget and what it is for, and the conduct of the war, we seem to be too late in everything. We were too late in getting this long deferred relief to the mother country and helping her to bear the burden. Nine times out of ten we have been too late—too late in recruiting; too late in our operations respecting the Bren gun and bombing planes; too late in the commonwealth air training scheme; too late in respect of clothing, boots and equipment; too late in furnishing money for

dependents; too late in supplying big guns, mine sweepers, bombers, real tanks, Bren guns, and modern rifles and munitions; too late in dealing with the fifth column; too late getting a survey of industrial and economic power; too late in organizing large and small plants for the manufacture of munitions, torpedo boats, and aircraft such as Spitfires; too late in preventing the menace which arises from magazines printed in the United States, which have exhibited Anglo-phobia for years, and from United States radio programmes which are sent into Canada every day to destroy the morale of the Canadian people. Help Britain now; argue about it afterwards. It is now or never, now and forever in this hour of need.

In connection with this ways and means committee, I would say to the government, and particularly to the Minister of Agriculture (Mr. Gardiner), who has recently returned from England, that I am glad to see the government has given, by way of reduced rates, a small concession to the mother country, situated as she is; but if it had been done in 1938 or 1939 it would have been much better. Away back in 1938 I urged upon the Minister of Agriculture that he should establish food reservoirs over in England, that he should send the exportable surplus of grain to be stored over there, in addition to bacon, canned goods and other foodstuffs, because of grave submarine menace, such as we experienced in the last war.

When we saw the disaster coming, I put forward the constructive suggestion that Canada should find a way of making possible the impossible. In other words, where there were no barracks or implements of war we should do as we did before, namely, take other public buildings. I said, if men have no uniforms, let them train without uniforms. If they have no rifles, machine guns or other modern implements of warfare, let them do as had been done in France and Great Britain, namely, use dummies until the real weapons can be obtained. Instead of allowing these men to drift round with nothing to do, they should be given the proper training immediately. Canada misjudged the whole situation. I said in 1938 it would take two years to train men and two years to get any real munitions.

If the government needs money it must, no doubt, go the easiest way to secure it in order to finance the war, but what I object to is the way they are doing it. In my opinion the government should charge seventy per cent of this war expenditure, if of primary importance, not secondary, to capital, and about thirty per cent to income. Industry cannot continue any longer to carry the burdens, restraints and all these artificial barriers which are placed upon it by a score of boards. I do not know how businessmen are going to conduct their operations or businesses, with all the boards which have been appointed in this country. We are simply being headed for state socialism all along the line, and the rank of a totalitarian state, and nobody will want to conduct a business or have one, with the artificial barriers and burdens which are being imposed and the attitude expressed by the leader of the group on my left, with regard to conscription of industry and all wealth. The municipalities are starved by federal and provincial powers grabbing their revenues, and the time is coming when they will have no money with which to carry out some of their functions, with those imposed by Ottawa on them. There was established by the British North America Act in this country overgovernment and overtaxation by a duplicate municipal system, resulting in a triple-header system of taxation, with dominion, provincial and municipal budgets, so much so, with the increased income tax and the added sales tax on civic utilities and all this kind of thing, that the time has come when the minister should consider more carefully my proposal to assess two-thirds of the amount in the ways and means resolution to capital, and the balance to revenue.

Hon. gentlemen of the social credit party believe that the way to raise this money is not by taxes and borrowing, but by inflation, namely, to start the printing-press, create paper money by a gamble, and let the government use it for war purposes. We are told that the amount required next war year will be about a billion dollars. But now the social credit party abandon all that and their principles and support the amendment moved by the leader of the other group.

The Cooperative Commonwealth Federation amendment goes further than the social credit proposals. If we accept the Cooperative Commonwealth Federation proposal to reconstruct industry, trade and commerce and our financial institutions in war time and conscript industry and wealth, we are going to kill all our war effort, supported by the majority of the people of the industrial provinces, who pay eighty per cent of the taxes under this budget. I believe the sense of the people of the two central provinces is opposed to any such drastic change at the present time as unwise and uneconomic. It would dislocate industry, which is already severely handicapped by these artificial barriers and burdens, and crushing loads which

are placed on business to-day. We are fast approaching a totalitarian state, with these numerous excursions into state socialism, with the main budget and this baby budget, as it is called, with sickness and unemployment insurance—which I have supported.

What have we to-day? The business man is so taxed that he is taxed to death. One of the glories of the Victorian era was that the people kept the state. Now the state keeps the people, and we are squandering our resources in the directions indicated by such an amendment as is proposed here, many of them with regard to non-essentials. In England the Socialist party, as I pointed out the other day, did everything they could before the war to defeat the government in any plan for rearmament. The Cooperative Commonwealth Federation, in this amendment, do not attack sound money as a principle; but, as far as I can see, claim that the whole organization of industry is on a wrong basis and that all war production should be on a socialistic basis.

To beat Hitler, the minister says, we shall have to increase our production by greater efficiency. I believe the time is coming when we should, in this budget, cut out the non-essentials, such as roads to Alaska, uneconomic duplication in roads, legations, league votes and so forth. We are collecting too much money from the people for purposes which are of no value in the prosecution of this war.

Britain has always been able to protect Canada and has never failed us. We owe to her our peace here, free from invasion. There is a great deal of talk about Canada and the joint defence board. There are too many speeches for which Hitler cares nothing. Canada cannot be talked out of the British empire by those who want a political union, and pacifists and pan-Americans. The defence board is all board and no defence so far, from what I see of it, and if it is for this that we are taxing the people in this budget we could use the money better elsewhere, because the battle of Britain is primary and this is secondary. Canada is not going to be talked out of the British empire. Canada will have to be fought out of the British empire. If Canada could have been talked out of the British empire, it would have been talked out of it long ago by some of the theories which have been proposed in and out of this house.

Canada was not ready when this war came. For four years the government had been listening to the babble of the pacifists and isolationists, and we had a foreign policy based on complacency. The government refused to see the handwriting on the wall and did nothing. They misjudged the whole European situation.

[Mr. Church.]

I come now to the celebrated victory loan of the Minister of Finance (Mr. Ilsley), and I should like to have his attention for a moment, also that of the hon. member for Eglinton (Mr. Hoblitzell), who is at present sitting beside him. I am one of the constituents of the hon. member for Eglinton. He is a great sportsman and all that, but I think he would do well to hearken to his constituents for whom I have been speaking this afternoon. I have referred to the working classes that live there. Many of them come from various parts of Ontario, and very few of them, on account of the taxes and burdens on real estate, could subscribe to the victory loan. The brass-band method was used to raise this last loan, but the people were scared off it by all this talk about belt-tightening and heavy taxes to come, and this talk of a joint defence board, and that we should pay attention only to home defence, when the people knew well that Britain had been left to fight the battle of civilization all by herself, without any allies, and that it was to her we owed our freedom. Is it any wonder that the victory loan did not go over well, because it was ill-timed, when the people were burdened with all the taxes I have mentioned, when there is confiscation of property in many cities and even in the riding of Eglinton owing to federal and provincial authorities having refused to lighten the burden on real estate, with all these federal taxes, which amount to nearly five or six mills on the dollar in Toronto and other municipal tax rates. Many of the people of Eglinton riding and of all Toronto industrial ridings generally are losing their property because of the heavy taxation, federal and provincial, placed on municipal institutions, and this parliament and the Minister of Finance hold out no hope of relief. Yet the minister tells the real estate people to tighten their belts and continue to pay for relief works and many other duplicate forms of taxation.

The second victory loan was put on at the wrong time. It was poorly advertised. The government paid 1¼ to 1½ points too much for this loan last September, and that is going to be reflected in the country's tax rate. I have had some experience with large loans, with the $32,000,000 deal, for instance, to take over the power companies in the Niagara Falls district, also, while I was in office, for almost seven years, in connection with the $200,000,000 bond transaction re municipal utilities when we took over the Toronto Street Railway and harbour, and power and light matters. I can tell you this, that if we had adopted the methods used by the government in the first and second victory loans we would never have been able to pay the rates, or to have paid what was asked in 1913 for some of these prop-

erties. See what happens next year! Notwithstanding all the taxes in this special budget and the taxes that will be brought down in the budget next spring, the minister now announces a new victory loan for next summer, and frightens the people with a scarecrow programme, because that is all it is. He is going to scare off all the investors by all this belt-tightening talk. Belt-tightening on what? Is it to be belt-tightening of the kind urged by the leader of the Cooperative Commonwealth Federation, the conscription of the money that a man has left in his pocket? All these taxes, the income tax, excess profits tax, foreign exchange tax and all the rest, loading up real estate with a burden that it cannot carry, are bound to have an effect when we go to the country for another loan next summer with all this overgovernment and overtaxation.

I congratulate the leader of this party (Mr. Hanson) upon the speech he made in the house yesterday. He has never faltered in his love of Britain despite the attacks which have been made upon him for his speech at Charlottetown. What he said there was quite correct. The Ogdensburg agreement has been referred to by other speakers. It was a talk, not an agreement, all right in its way as it is of tremendous importance to have the United States with us, but that talk was exactly the same as the government's 1938-39 defence policy, of home defence, and the second cardinal principle is to protect our neutrality if the United States is attacked. There was much ado about nothing over that Ogdensburg agreement, but Canada's defence policy had the same cardinal principles. I agree with what the leader of this party said yesterday on our tariff policy and the need of protecting Canadian industry and agriculture.

This government changed the Ottawa agreements, and all hon. members know what happened. This government gave the United States almost the same advantages that we enjoy in the Ottawa agreements. We had a 6 cent preference in the British market on grain carried in British ships, and generally the Ottawa agreements were the backbone of the prosperity that we had before the war on bacon and other products. Our trade with Britain increased by 44 per cent and Britain's trade with us by 42 per cent under them. The resolutions now before us to aid Britain were a wise gesture. Britain is protecting our shores, and if the government will only consult with industry, labour and agriculture I believe that we can reduce import duties against Britain 50 per cent more on some goods in certain items and 100 per cent more in other lines. That is, if those reductions can be made without hurting labour and industry in Canada. The British fleet and the Royal Air Force are the real Monroe doctrine and not a mythical Monroe doctrine as expressed in a joint defence board, which without Britain is a myth. The Monroe doctrine for the United States and us is the British fleet and the Royal Air Force, and that is why at Christmas our country and the United States will not be invaded, for which the United States should give thanks by aiding Britain. I hope that conferences will be held by the government with industry, labour and agriculture to see if our imports from Great Britain cannot be extended all along the line in order to help out the mother country when she has so few friends, and has lost most of her export trade, if Canada is not injured in doing what I suggest.

I believe there should be an exemption granted with respect to some of the provisions relating to exchange. Why should United States citizens and British subjects have to go to all this trouble to send some poor relative a present of $25 or $50? Why should a man who wants to send $10 or $15 to a relative in the United States who may need it to pay a hospital bill have to go through all this red tape and formula of the foreign exchange control board with all its standing army of officials? From 1921 to 1930, under our pan-American tariff 600,000 of our citizens left Canada to go to the United States to look for a job, and many of them were soldiers who fought in the great war, and some of them are fighting in this war, at great hazard to their lives. Why should they be hampered up to the amount I name, by the foreign exchange control board when they had to leave this country to look for jobs betwen 1921 and 1930?

Another thing is the passport plague. Is this the Monroe doctrine in action? Also, cannot it be amended before Christmas, and what is being done? Neither country benefits from such drastic measures.

I would also repeal a lot of this Canada-United States trade agreement. It was for three years, and expires in 1940. It was to the disadvantage of Britain and Canada, and my hon. leader gave many illustrations of that yesterday. How can we compete with these people with such adverse trade treaties against agriculture and industry in Canada? They are our friends and kinsmen and it is of the greatest importance that we should try to maintain most warm and amicable relations with them forever. No one has ever suggested anything else. They are our friends to-day, and long may they continue to be. But business is business. If it is looked upon as a matter of pure business in dealing with the mother

country that we should consider ourselves in trade, why should it not be business when we are dealing with another competing country? Why should we give away our market, taking work away from our own workmen and giving it to our competitors across the border, and our own markets with exchange as it is?

A few years ago I brought up the question of a national coal supply for Canada. The minister could conserve a great deal of exchange by adopting a national coal supply policy such as was urged in 1922 and 1923. The importation of bituminous coal free of duty may not be detrimental to Canada as a whole but it may be to Nova Scotia. It was the coal from the maritime provinces and Alberta and Wales that I had in view when I proposed a national, all-British coal supply policy in 1922, and it took ten years to get it recognized. If the maritime provinces suffer by the new free British duties here, they should be given increased protection by way of bonuses, subventions and subsidies so that the interests of those provinces should not be injured.

As regards cotton, woollens and fabrics of all kinds, I submit that the government ought to confer with industry and labour to see if something cannot be done to lighten the burden on the mother country, especially when she has lost her export trade. For fifteen years I have been asking this question: Why are there so many Washington-made tariffs? Largely as a result of the abrogation of the Ottawa agreement, Washington has become the economic capital of the British empire. There is a right and a wrong way of securing concessions from the United States. If they were convinced that we were losing all this money, I believe they would be the first to take steps to bring about some change in our favour with regard to tariff reform.

I am opposed to the price-fixing theory. As regards railway fares, it is all right for the railways to get out hand-bills quoting fares of $30, $35 and $40 from Halifax to Toronto, but as a matter of fact we find very low excursion rates. For instance, there was an excursion on November 28, the fare being $17.50 to Truro. Other figures to points in the maritime provinces were $16.25, $15, $17 and $18. Yet, when the poor soldiers want transportation they cannot get it and are refused a $20 return rate from Truro. We have spent millions of dollars on the Canadian National railway, and this will have to be taken into account in the budget, because the taxpayers will have to pay the deficit on our railways. Yet they cannot carry soldiers free. But although the railways can give all kinds of excursion rates every week to civilians, when it comes to railway fares for our soldiers in Ontario they quote higher, fabulous rates to maritime places.

The government has done nothing about insurance for soldiers. I have asked about four or five times what it intends to do in this regard. The minister said that the superintendent of insurance had written a letter. He did in the session of 1939 and that was the last I heard from him.

Again, the government should bring down a policy with regard to grain. The people of the industrial provinces can no longer pay such extended annual bonuses, subventions and the cost of pegging grain. They cannot afford the measures brought down almost at every session. The industrial workers and the farmers of the three central provinces and of the maritimes get little or nothing in return in bonuses and subventions. It is of the utmost importance that the grain industry should be on a good basis and receive all due assistance, but there has been a serious want of judgment in marketing the crop in war time. The government misjudged the markets. They failed to establish English reservoirs; they failed to cooperate with the department of agriculture at Washington on the question of the wider marketing of grain during the war, with the loss of ships which we are sustaining at the present time.

I am opposed to any new pan-American league of nations of north and south America because I believe it will lead to the same state of affairs as has developed in Europe, and to more strife than peace. I am opposed to any proposal to link up this country with any more such pan-American alliances over the head of this parliament, and without our knowledge, and I suggest to the Prime Minister (Mr. Mackenzie King) that in the recess he should find out all the circumstances relating to the disaster that has overtaken seventeen of our merchant ships off the west coast of Ireland on the way to England from Canada. The cost of that disaster will be reflected in the coming budget next spring and in lost trade, lives, and goods. Will the government make an inquiry into this matter? Will the Prime Minister find out whether these neutral ports and inlets are being used against Canada and Canadian trade, and whether they shelter German submarines? Many businessmen are losing consignments on these ships and they will be without any compensation and will want a show-down. I urge, therefore, that during the recess the government take steps to ascertain what is being done to protect Canadian interests in relation to the question of neutrality in this area. I raised this question on July 10 last.

Parliament is going to have a holiday for more than two months. We are going to take

a holiday until February 17, and yet the government cannot give a brief holiday to our soldiers, or even a day to the men in our air force. These men are fighting for civilization, for religion, for Christianity; and yet on the greatest of religious holidays, Christmas day, Canadian soldiers of the Royal Canadian Air Force are to be denied leave to visit their parents and friends. I suggest to the government that if they want to hurt recruiting they should continue as they are doing in this respect, in not aiding to the utmost our soldiers who risk their all for the country.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): One of the best speeches I have ever heard in this house was delivered by a former member of the Liberal party on March 15, 1938. It reads—I am quoting from pages 1376 and 1377 of *Hansard* of that year:

Concessions were made by reducing the tariff on their raw materials; I have no objection to that. Why were they so successful in the two years following the reduction? It is easy to see why. It was for the simple reason that prices went down and people bought automobiles more freely, and although the manufacturers had to accept a smaller profit on each automobile, their aggregate profits at the end of the year showed a large increase. After all, what is the secret of success in any line of merchandising? Is it to sell one article a day and make fifty cents profit on the sale, or is it to sell ten articles a day and make ten cents profit on each article? The more goods you sell the more profit you make and the more service you can give.

Here may I quote, with approval, the statement made by the hon. member for Huron North (Mr. Deachman): "There has never in Canadian history been a tariff reduction which did not benefit Canadian manufacturers, but they fear it." Ah! Fear! Fear! That is it. Fear, which at one time was no doubt the natural and normal reaction of man in his primitive state and was intended as a necessary shield for his self-preservation, has to-day become a heavy and burdensome armour, impeding him in his upward march towards a higher civilization. That fear which in those days was a physical, bodily fear, and quite normal, has to-day become simply an atavic, mental and moral fear—the curse of humanity, and man's greatest enemy.

If I were—I was going to say if I were king, but I will put it in a more modern way—if I were the dictator of Canada, do you know what I would do, Mr. Speaker? I would issue a decree to take effect to-morrow morning, establishing absolute free trade in this country.

Some hon. Members: Oh.

Mr. Louis Robichaud, K.C., was a member for Kent, one of the New Brunswick constituencies.

I may surprise some hon. members since I am not resident of the west or a farmer, when I proclaim myself a one-hundred per cent unadulterated free trader. But someone will say: "If you do that, you will flood the country with foreign goods." I say then, and in the spirit in which the apostle of the gentiles uttered his famous exclamation, "O felix culpa". Happy flood, blessed flood! The flood would continue only so long as we were able to pay for the goods, and so long as we were able to pay for them we would be prosperous indeed.

That is worthy of Cobden in his best moments. As the first sentence of my remarks, Mr. Speaker, it is my intention to use four Latin words: *suaviter in modo, fortiter in re*—"mild in expression, strong in belief."

I desire to make two points, to show what has been the tariff under the Bennett administration from 1930 to 1935 and under Mr. Dunning from 1935 to 1939. In the first place we must not forget that trade is the lifeblood of the country. That is very well understood in England, where as their motto they have these three words, "Business as usual." They mean business as usual in peace time as well as in time of war. Mr. Bennett came to power in July, 1930, and a special session was called in September of that year, at which he advanced the idea that by raising the tariff he would decrease the number of unemployed in the country. What astounded me was the fact that his proposals met with a sort of indifference on the part of our party. I hold in my hand an extract from an article by Mr. Benoit, who later became president of the press gallery, which appeared in *Le Devoir* on September 10. The translation is as follows:

The address in reply to the speech from the throne has been voted rather unanimously. There was only one dissident voice, that of the member for Témiscouata, Jean-François Pouliot.

According to sessional paper No. 290C, reference No. 250, tabled by Mr. Cahan on June 5, 1935, at that special session 152 items of the customs tariff were increased, while 11 were decreased. It is interesting to see how Mr. Bennett dealt with the tariff. At that time he was assuming the duties of Minister of Finance and Minister of Labour in the house, which is why I told him it was the first time in the history of this country that the same minister represented capital and labour. The total number of tariff items, as of August 1, 1930, was 1,100; as of June 5, 1935, it was 1,280. The items increased were as follows:

	By parliament	By order in council
1931.....	128	2
1932.....	150	1
1933.....	8	nil
1934.....	18	1
1935.....	13	nil
The decreases were as follows:		
1931.....	55	7
1932.....	144	7
1933.....	42	6
1934.....	57	7
1935.....	57	1

The next question I asked was how many customs tariff items had been left untouched since August 1, 1930, and still in force. The answer was 643. In other words about half the tariff items had been changed by Mr. Bennett during the five years he was in power. Then I asked whether any of the customs tariff items had been changed more than once, either by parliament or by orders in council, since August 1, 1930. The reply was yes in both cases, and the numbers: by parliament, 101; by order in council, 1. There, Mr. Speaker, you see the disorder that was created in Canadian business by tariff changes. Mr. Bennett not only desired to change an item once; he changed some items several times. His first idea was that Canada could be self-sufficient; he went to London in 1930 and made such a good impression on the British government that Mr. Thomas called him a humbug. Then he returned, and realized that it would be quite difficult for Canada to become self-sufficient. Therefore he raised the tariff, according to the figures I have just quoted.

Later, in 1931, Mr. Bennett thought Canada should stand alone and be absolutely independent; the tariff was raised and raised again. Then in 1932 he saw that this policy was impracticable. He tried to bring in a new sort of tariff, just for the British empire, and the tariff items were changed accordingly. We had the Ottawa agreements; and then in 1933 he realized that this was not enough. He began to ask for world trade, and all countries were invited to the London conference, which met with complete failure. The member for Témiscouata is reported at page 1421 of *Hansard* as having spoken on November 22, 1932, as follows:

> Mr. Speaker, I rise to a question of privilege in connection with an absurd newspaper item published on the front page of *l'Action Catholique* of Thursday, November 17, 1932. The heading reads as follows: "J. F. Pouliot endorses the tariff changes—statement made by the hon. member for Témiscouata, yesterday, in the House of Commons." What has actually happened is that this newspaper attributes to me a speech delivered by the hon. member for Labelle (Mr. Bourassa). You are, sir,—

I was then addressing the Speaker.

> —better aware than anyone that I have never lost an opportunity to strenuously and energetically protest against these evil omen agreements.

I could not vote against them because I was paired with the late Herb Lennox; we had a gentleman's agreement; nevertheless I expressed my disagreement with that sort of tariff.

The Ottawa agreements worked badly. They were passed in midsummer, and on December 15, 1932, I read this article in the Montreal *Gazette*:

> Return to Barter in International Trade Suggested.
>
> Clearing houses to provide exchange machinery, idea of London chamber. Scheme studied here. "Better to have some trade than none at all pending complete reform of monetary system."

Then, on January 25, 1933, we find the following front-page news item in the Montreal *Gazette*:

> Leadership being tested, Borden says. Former premier urges freer world trade. Speaks in Toronto. British empire leads way with conference pacts, he declares.

Those Ottawa agreements did not work out successfully. They were an impediment to world trade. In fact, they were the reason for the failure of the world economic conference of 1933. After that time the present leader of the opposition (Mr. Hanson) became Minister of Trade and Commerce. I had an opportunity to write him a letter setting out my views respecting the management and the policy of his department. I sent a copy of that letter to the late Hon. Norman Rogers, and since the reply from Mr. Rogers is not personal I intend at this time to read it. It is dated at Queen's university, Kingston, March 8, 1935, and is in the following terms:

> Jean-François Pouliot, Esq., M.P.,
> House of Commons,
> Ottawa, Ont.
>
> Mon cher ami:—
>
> I want to thank you for your kindness in sending me a copy of the return made by the Minister of Trade and Commerce to your inquiry regarding British trade in relation to world trade during successive years since September 1, 1929. Your own letter to Mr. Hanson in reference to this return is most illuminating. I have had a suspicion that the recent statistical barrage on the Ottawa agreements contained some misleading figures. In fact, it seems to be possible to support quite different propositions on the basis of figures supplied by the Department of Trade and Commerce and the bureau of statistics. I take it that Mr. Hanson has not made a correction of his statement in accordance with the suggestion contained in your letter. No doubt he will do so in due course, if you exhibit the same perseverance as you did in relation to the station at Rivière du Loup.
>
> Thank you also for your kind note of congratulation and good wishes.
>
> Yours sincerely,
> Norman McL. Rogers.

In 1935 the Bennett government was defeated at the polls. After that time we were faced with the necessity of solving a tariff problem, if we were to improve our trade throughout the world. The Dunning budget of 1930 did not receive a fair deal, and during the election campaign was represented in only some of its aspects. Since the people did not

have an opportunity to consider it from all angles, I thought it proper to suggest that the Ottawa agreements should be replaced by the Dunning budget, so that it might be given a fair trial.

Turning to page 920 of *Hansard* for March 10, 1936, I find the following:

United Kingdom Trade Agreement.

Proposed Revocation of Legislation Instituting Agreement.

Mr. Jean-François Pouliot (Témiscouata) moved:

"That in the opinion of this house, chapter 2 of 23-24 George V (1933) should be repealed;

That the trade agreement entered into between representatives of His Majesty's government in Canada and of His Majesty's government in the United Kingdom, copy of which is set forth in the schedule of the above mentioned act, should be revoked;

And that chapter 13 of 20-21 George V (1930), an act to amend the customs tariff, should be substituted thereto."

Hon. Charles A. Dunning (Minister of Finance): Mr. Speaker, much as I appreciate the compliment contained in the last paragraph of the motion, I think I must call your attention to the fact that this resolution is entirely out of order.

Mr. Pouliot: Then a pious wish is out of order.

Mr. Speaker: I will reserve my judgment until another day.

Motion stands.

On motion of Mr. Dunning the house adjourned at 10.55 p.m.

If Mr. Dunning was sincere when he introduced his budget of 1930, I was giving him the opportunity to give it a fair trial, and to see what it would produce. The idea behind that budget was sound and good. At that time England was importing wheat from the Argentine, for reasons well known to my western friends, and there was a decrease in our trade with England only in respect of wheat. With regard to all other commodities the trading situation was good. Of course the discussion developed into a debate respecting butter, and all the rest was forgotten. The people became crazy, and thought that R. B. Bennett was the saviour of the land.

It was interesting to note, sir, that Mr. Dunning was objecting to my motion. I wanted to see the extent of his sincerity in bringing in the budget of 1930. In my humble view it was a very good budget; but he made the objection to which I have referred, and did not give me an opportunity to discuss the whole matter on a point of order. The funny part of it is that he himself objected to it.

Then, on April 6, 1936, I addressed Mr. Speaker as follows, as reported at page 1815 of *Hansard* for that year:

Mr. Speaker, I respectfully draw your attention to *Hansard* of March 9, page 920. Would you be kind enough to give your ruling on the point of order raised by the Minister of Finance (Mr. Dunning) on that resolution?

As I stated earlier, he never understood the rules of the house—I do not mean Mr. Speaker; I was referring to Mr. Dunning—and he was objecting to my point of order, stating that it was not well taken. I do not know why a decision was not rendered.

On April 27 I wrote the Clerk of the House, Doctor Beauchesne, asking him to get in touch with Mr. Speaker, so that a decision might be given. His answer to me was that it would be given later on. I have in my hand a letter dated April 28, 1936, asking Doctor Beauchesne if Mr. Speaker would give his decision after the roar of the gun—prorogation. No decision was given on the motion.

What happened in 1937 was most strange. I wanted to show my good-will—I wanted to show what my chief calls good-will and cooperation. I said I had not the time to read the tariffs, and to make comparisons between the tariff of 1937 and that of 1932. I believe the tariff of 1937, as approved by the party to which I belong, was all right. But I have before me what Mr. Bennett had to say, as reported at page 1398 of *Hansard* for March 7, 1937. He gave the names of those members who had voted against the second and third readings of the Ottawa agreements, and then continued as follows:

Those were the immortal forty-two. They voted against the United Kingdom agreement, an agreement which now in terms they ask this house to adopt. In order that there may be no question on that point I propose to put the deadly parallel upon *Hansard*; I propose to compare the paragraphs from the agreement of 1932 and the paragraphs from the agreement of to-day, to show that they are the same; the same in principle and almost identical in words. But in order to endeavour to save their faces they make some change in the relation of the words one to the other, though the principles have not changed and cannot change. I doubt whether, in the long history of our institutions, we have ever seen the spectacle of a government asking within the short period of less than five years the acquiescence and approval of members of the house to a document that was in terms similar in every principle to a document they had voted against just a few years before.

I am rather fearful of the results of these tariff changes because of the words that were uttered yesterday by the leader of the opposition. As reported on page 647 of *Hansard*, he had this to say about the foreign exchange control board:

It is with some degree of pride that I call attention to the fact that under a government which was not supposed to be strongly characterized by foresight or to have much knowledge of business the foundation was laid for the functioning of this important body. It is

a matter to which I think I should refer, especially since the man who conceived and promulgated the idea has been so often traduced, as he has been even during the present session, by certain hon. gentlemen in this house. I am sure the Minister of Finance would be the last to deny that had it not been for the vision of that man and his knowledge of finance and monetary problems, we should not have been so well equipped as we are to-day to deal with what to me is an abstruse and technical matter.

I will admit that the former leader of the Conservative party had something like vision, but it was more than that, he had visions. We may differ sometimes, but we are still patriotic. Our duty is not to follow blindly the lead of the government in this matter, our duty is to warn the government against the danger of certain tariff policies in order that the people of Canada may not suffer either in the near future or later on. No one should be depressed at the present time; we should all have courage; we should have what Mr. Bennett called "fortitude," during this present war.

We should endeavour to pass legislation which will not prove a handicap to Canadian business during the war and afterwards. Tariff changes are very delicate matters. It would be easy for one of these clever boys who act as pages here to go through the Canadian tariff with a blue pencil and strike out certain items and change others, and then present them as a budget. We should not forget that many people are employed by the importers of Canada. If we destroy the import trade, these importers will be put completely out of business. If the mission of the Minister of Trade and Commerce (Mr. MacKinnon) to south America is a wise move, as I think it is, then we should not isolate ourselves with high tariffs. Not only did I fight this type of legislation when Mr. Bennett was leading the government, I tried to do what I could to prevent it from being put into force when our own party was in power.

I was much concerned over the fact that those who had been the advisers of Mr. Bennett were also acting as advisers to the then Minister of Finance. They were considered as experts and their word was powerful. But I did something else. I was concerned over the financial disaster which had been brought about by the brain trust in the United States, and therefore the member for Témiscouata moved to introduce a bill to repeal the act which had established an economic council. The first reading of this bill was on February 24, 1936, at which time I said, as reported on page 437 of *Hansard:*

> Mr. Speaker, it is very easy to explain the purpose of this bill. It is to put the axe of parliamentary control to a dry branch of the dead tree of so-called social legislation.
>
> [Mr. Pouliot.]

I had quite strong support in introducing that bill. A few days later, when the second reading was up on February 27, the Prime Minister (Mr. Mackenzie King) said, as reported at page 578 of *Hansard:*

> Mr. Mackenzie King: The measure comes under the Prime Minister. The act provides for the appointment of an economic council to advise the Prime Minister. I am quite satisfied with my own council; I do not think I need an economic council to tell the present government what is necessary in the way of legislation. The government at all times is in a position to command the services of any members of the public service. It seems to me wholly superfluous to have on the statute book a law which obligates the government to bring together a number of the members of the public service and constitute them into an advisory council, when members of the public service have enough to do in their own departments if they are doing their work properly.

That was very well said.

> It is prodigal to add to public expenditures to the extent necessitated by this act. I think the government made its attitude toward the legislation clear when we did not place in the estimates an appropriation for the legislation, and I do not think it is necessary for us to say anything more about it. It is superfluous legislation, and our attitude towards it when the late government introduced the measure was that it was superfluous. However, being a part of the new deal which was being tried out it was allowed to pass. The public has since expressed its view with respect to much of the late government's legislation and made clear its attitude towards some of these measures. The present government does not feel it in the public interest to continue the legislation.
>
> Section agreed to.
>
> Bill reported.
>
> Mr. Pouliot moved the third reading of the bill.
>
> Motion agreed to and bill read the third time and passed.

The bill was passed in less than five minutes. My idea in sponsoring that legislation was to get rid of Bennett's brain trust. That has been a curse to the country since it was established. I have nothing against these fellows. The government may pay them any amount they wish in the way of salaries provided these men do not give any advice. It would pay the country to pay Mr. Graham Towers $100,000 a year provided he stayed home and did not get in touch with the government. It would pay the country to pay the same salary to Mr. Clark, the deputy minister of finance—

Mr. ILSLEY: I listened to similar remarks the other day and did not say anything, but I think I ought to make it clear to the house that I have the utmost confidence in both Mr. Towers and Mr. Clark. I appeal to my hon. friend to desist from these personal attacks on civil servants who are recognized as being eminent. These men are giving

faithful service and I do not think they should be attacked in this way in the House of Commons.

Mr. POULIOT: I have great personal regard for the minister, but I ask him to read one letter which is published in *Hansard* at the end of the speech which I made in 1939 on the mortgage bank legislation. When that matter was before the house I quoted a letter which I had written to the Prime Minister. This was acknowledged by him but never answered. My ideas as to ministerial responsibility are contained in that letter. If we cannot offer a word of criticism of those who receive high salaries, then it is no use our rising in this house and the country is doomed to ruin and complete failure. Criticism is necessary, it shows that members of parliament are watchful of the expenditure of public money and want to know what is going on. I do not intend to repeat what I have written already; it is all there. I have not changed my view, and nobody has asked me to change my view, nor has anybody contradicted what I said then.

Mr. SPEAKER: The only thing I would point out to the hon. member is that when an attack is made on a civil servant, the civil servant is in no position to defend himself. He cannot get up on a public platform or rise here as a member of parliament does to defend himself, and for that reason an attack on civil servants should certainly be accompanied by specific charges respecting particular cases, and not simply be a general charge against civil service administration. Such does not add to the strength of an argument, and it is not conducive to the good of the civil service to make such attacks. I would ask the hon. member to desist.

Mr. POULIOT: I shall not insist, Mr. Speaker, and I shall say nothing of anybody in particular. It has been said that these people are not in the house, and that is true, and for a very good reason. They receive emoluments from the crown, and therefore they are barred from sitting as members of parliament. But on the other hand they are represented in the house by the minister, and the place for me to inform the minister is the House of Commons. If the minister is acting on their advice, and action is taken in consequence which I cannot support, it is the duty of the minister to defend the civil servants concerned in the house.

But I do not see why members of parliament cannot express their views on civil servants. We vote their salaries and have a perfect right to express what we think of them. I regret to differ from your opinion on this point, Mr. Speaker, although I regard your opinion highly and shall abide by it. But if it is impossible for a member of parliament to inform the minister of what is going on which he sincerely believes should not go on, what is the use of our sitting here?

Mr. ILSLEY: Would the hon. gentleman permit me? I think it is legitimate for a member of parliament to attack the quality of the advice or of the service that a civil servant gives a minister, if the member is specific in his complaints. I also think it is legitimate for him to attack the minister for what he does on that advice. That is the proper point of attack. That is one of the main things ministers are for. But what I object to is a general attack of a very extreme type on civil servants, and then to have it repeated. The other day the hon. gentleman made his position quite clear. I did not know whether I should take exception to his remarks at that time or not, but I would ask him now if he does not think he should desist from repetition of such a general attack, simply personal attack, as distinguished from an attack on anything that civil servants may have done.

Mr. POULIOT: When I wanted to bring up what they had done I was stopped by Mr. Dunning and by the Prime Minister. Afterwards I answered the Prime Minister and I had an acknowledgment from him, and I have put the letter on *Hansard*. What strikes me is that the support of these people comes from Conservative members all the time, and these people continue to give Conservative advice to the government. That is against my personal conviction. I do not agree with that advice. I do not say that there is graft but I do say that their advice is all wrong, and if I have not the right to speak in this house when a civil servant or an official, whoever he may be, is all wrong, I do not see what is the use of sitting in this house. I have no grudge against these civil servants. I suggest that they be paid more provided we get rid of them. But I shall not insist, Mr. Speaker. I simply want to show that I am being logical with myself.

I opposed the Bennett policy at the request of the party and because I believed it unsound, and afterwards I opposed the Dunning policy. I voted for one of Mr. Dunning's treaties but I could not vote for some of his other treaties, and I felt miserable because I knew that it was the same policy that was being carried out. I could not change the policy so I tried to change the people who were advising that policy. I was successful in having my bill adopted by the house, and it passed the senate and became the law of

the land. It is chapter 5 of the statutes of 1936. Notwithstanding that, Ottawa is filled to-day with boards, experts and brain trusters to a number that is incredible. As one brain trust was not good in 1936, I do not see how scores and scores of brain trusts can be good now. I fear for the future of this country if all these people are giving advice to the government. The country is going to the dogs on their advice, and I shall not let that happen if in my humble capacity I can do anything to save our country.

Mr. PERCY C. BLACK (Cumberland): Mr. Speaker, all the people of Canada are interested in the resolutions submitted to this house by the hon. Minister of Finance (Mr. Ilsley). Nova Scotia has a particular interest in one item, namely, the admission into Canada from Great Britain of bituminous coal duty free. If this means anything, it must mean that a large additional import of coal and other commodities is to be made. Otherwise there is no necessity for the resolutions.

I understand that in recent weeks there has been imported from Great Britain 2,000,000 tons of bituminous coal, most of which is now in storage for the Montreal-St. Lawrence market. If the change in the duty is to have the effect it is supposed to have and there is to be a large additional importation of bituminous coal, it means the displacement of Nova Scotia coal in the markets that have been recognized as belonging to Nova Scotia; that is, the maritime provinces, Quebec, and eastern Ontario as far west as is necessary to absorb sufficient coal to take up the production of Nova Scotia.

Mr. MacNICOL: As far west as Toronto.

Mr. BLACK (Cumberland): As far west as Toronto or even farther.

I am not opposed to these resolutions. I am heartily in favour of them. I agree with the leader of the opposition (Mr. Hanson) that they have not gone far enough. If Great Britain is to be put in a position to pay, at least in part, for her enormous importations, she must be allowed to export to this country and to the United States—a privilege she was denied by the United States in making payments on the loans in the last war.

If taking off the duty on bituminous coal means anything, it means that a large quantity of bituminous coal will come into the Canadian markets to which I have referred, to the disadvantage of Nova Scotia. I should like it to be understood that if that is to be done—and I am not going to oppose it—then subventions and assistance should be extended so that Nova Scotia coal can be marketed to points farther west in Ontario in order that the total output of Nova Scotia coal may be absorbed in Canada. That can be done by paying additional subventions, and it would have the effect, not of interfering with the importation of British coal but of keeping out coal from the United States, and in that way helping our position as regards United States exchange.

We in Nova Scotia treasure very highly the subventions and other assistance which have been given to coal mining during the last ten years. The importance of that assistance has been recognized, I believe, by all the people of Canada. It was put into effect when the coal trade of Nova Scotia was at the most difficult period in its existence. In 1930, 372,000 tons of Nova Scotia coal were assisted by subvention. In 1939 that amount was increased to 2,381,995 tons; in the ten months of the present fiscal year the total quantity so assisted is 1,828,000 tons. It is necessary that this assistance be rendered. Costs of production are higher than for imported coal; the men are entitled to a fair wage; and the people of Nova Scotia are entitled to this market, the only one open to them, that they may have fair treatment within confederation, and to some extent obtain the means whereby they can pay for their enormous purchases of commodities of many kinds from central Canada. Many of these commodities are mass-produced, and there is no possibility of manufacturing them in outlying portions of Canada.

In 1939 Canada imported 9,907,000 tons of bituminous coal, 3,977,805 tons of anthracite coal, and—

Mr. MacNICOL: May I ask the speaker if the bituminous coal was largely imported from the United States, or was a portion imported from Great Britain?

Mr. BLACK (Cumberland): I have not those figures, but I believe that in 1939 the importations were almost entirely from the United States. In addition, we imported 435,871 tons of coke. In the ten months of this fiscal year to October 31 Canada imported 11,898,453 tons of bituminous coal, 3,369,183 tons of anthracite coal, and 742,132 tons of coke. Therefore there is still a large importation from the United States of fuel a part of which, at least, can very well be assigned to Nova Scotia, in order that the coal mines of that province may have a market for all that they are able to produce.

When the subventions were extended in 1931, it was said that we would market an additional million tons of Nova Scotia coal. Under those subventions, the increase from 1930 to 1934 of coal marketed in central Can-

ada amounted to 1,375,975 tons. For last year, 1939, this has increased to 2,381,995 tons. It is the expectation of the people of Nova Scotia that it will be further increased, and that we shall have in central Canada a market for three million tons or more.

In the fuel policy laid down for Canada at that time, it was the view that Canadian-produced coal was necessary in our national economy. It is necessary at the present time, and how much more necessary it would be if anything should occur—we are all thankful it has not occurred, and do not believe that it ever will—whereby we were not able to get importations from the United States. Such a contingency makes it necessary that markets be found within Canada for the coal production of Nova Scotia and western Canada.

We in Nova Scotia are thankful for the assistance which has been given our coal industry. I thank the present government for their assistance in carrying out the policy which was put into effect in 1930-31. I thank the Minister of Mines and Resources (Mr. Crerar), because I have found that he has been sympathetic; also, the Minister of Labour (Mr. McLarty). I thank the people of Ontario and Quebec and the industries established there for their sympathy towards Nova Scotia and their assistance in the marketing of this coal.

Mr. ILSLEY: Pardon me, was not 1928 the first year of this coal policy?

Mr. BLACK (Cumberland): It was put into effect about 1928 as an experiment, but the difficulty at that time was that no coal of any consequence was moved. The principle may have been established at that time, but the subventions were not sufficient to move any appreciable quantity of coal and provide an output which would keep the mines of Nova Scotia operating.

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

Mr. BLACK (Cumberland): There are many other organizations which should have a word of special appreciation for their consideration to Nova Scotia; among them are the Toronto board of education and many institutions, individuals and industries.

As part of that policy the duty on bituminous coal was increased 50 per cent, to seventy-five cents a ton; a duty on anthracite coal of fifty cents a ton was put into effect, where there was no duty before; and a duty of $1 a ton was placed upon coke, thereby encouraging the production of coke in Canada, and a bonus of $1 a ton paid on Canadian coal used for coke. But these subventions have been entirely paid for through the increased revenues accruing from the additional duties placed upon imported coal. For the last ten years the additional revenues have totalled $24,352,000. The total subventions paid to eastern and western Canada in the same period amounted to $21,333,000, so that a surplus of $3,000,000 accrued to the treasury of Canada over this period by virtue of this fuel policy. Furthermore, if it had not been put into effect, many of the coal mines of Nova Scotia could not have continued to operate. At that time they were in a desperate plight; in fact, the government of Nova Scotia had to plead with the banks that credit might be extended to tide this industry over that very, very difficult period.

I would mention particularly one man from central Canada who was most helpful to us in Nova Scotia at that time. I refer to the Hon. Wesley Gordon, then Minister of Mines and Labour, who cooperated with us on every occasion and assisted in increasing the duties and subventions. It meant tens of thousands of dollars in additional costs to the consumers of coal used in his constituency. On top of the other difficulties, he said it might result in such intense criticism of himself that he might never come back to the federal parliament. "But," he said, "I believe you are entitled to it and I am going to stand by you and put it into effect." He did, and I am grateful to Wesley Gordon and the Bennett government for what they did in those hard years in Canada and particularly in Nova Scotia from 1930 to 1933.

There is one other man whose name I would mention. He was really the author of the Canadian fuel-steel policy—the Hon. Gordon S. Harrington, deputy minister of national defence overseas in the last war, premier of Nova Scotia, and first chairman of the unemployment insurance board. He gave splendid service to the people of Nova Scotia and Canada in connection with coal and other matters. He regarded his duty to the public so highly that he refused a judgeship in that province—and there are very few men who have sat in this house who have refused such positions of great honour and trust in order to continue to serve in public life. I was sorry indeed that he was not given fuller justice last year when he was referred to by the Prime Minister (Mr. Mackenzie King), but we in Nova Scotia are under a great obligation to Colonel Harrington. He is out of politics now, but his work with regard to the fuel policy will be a lasting credit to him.

I have not taken up much of the time of the house during this session because I felt that I should render every possible assistance to the government and that in so doing I

would be serving my electors. I have therefore withheld criticism, but that does not mean that there is not a great deal of discontent in Nova Scotia with regard to the administration and more especially from the point of view of the war. I have asked the people of Cumberland and Amherst to have patience and to do their part. Nova Scotia is nearest to the seat of the war and perhaps there is more uneasiness there than in any other part of Canada.

There has been much delay in equipping our soldiers. Last week-end I was motoring from Amherst to Oxford and Pugwash and I overtook a soldier. He was two hundred yards ahead of me when he beckoned me to stop. He wanted to get home to his family in Oxford. The temperature was almost zero; there were six inches of snow, and he had no overcoat. I asked him where his overcoat was and he said that none had been issued to him. I suggested that he must be an exception and he assured me that there were two hundred men in the North Nova Scotia Highlanders who had not yet been given greatcoats. It is hard to understand that. If the figures the minister gave in his statement to the house are correct, 411,000 greatcoats had been ordered and 241,349 had been issued. It seems strange, therefore, that there should be a lack of clothing for these men. It is said that the trainees are given their equipment more expeditiously and are given better equipment than the men who have enlisted for active service, the argument being that it will make a good impression at their camps and when they go home they will say how well they have been treated. At any rate, there have been complaints in Nova Scotia, in Cumberland, from the early days of the war until last Saturday, that the men had not been issued proper clothing.

Mr. POTTIER: Was that a member of the active service force or the non-permanent active militia?

Mr. HANSON (York-Sunbury): Would that make any difference?

Mr. POTTIER: In the one case they furnish and in the other the government does.

Mr. BLACK (Cumberland): I understood he was a member of the North Nova Scotia Highlanders, active service. I am not going to make any charges, but the reports that have been coming to me should receive consideration. I am given to understand that there has been extravagance in many of the expenditures, and this is having a bad effect on the morale of the people who are asked to contribute in the form of war savings stamps, and subscribe to war loans. Many complaints have come to me with respect to conditions in the camp at Debert. It would appear that there has been lack of sanitation, lack of water, lack of the ordinary conveniences and necessary supplies that make for contentment at a camp. There are also serious reports regarding the way the work at Debert was started and is being carried on. I wish to quote from a report by Mr. H. R. MacMillan, timber controller for Canada. In a public statement appearing in the magazine *Timber* I find the following:

> The timber controller explained that it would have been impossible to have put this job over under ordinary government methods of procedure. As a matter of fact he had bought the lumber without authority and without any money being voted. In fact the government didn't know of the transactions until they were completed. It was necessary to exercise initiative in the emergency arising. The timber controller pointed out that there is lots of authority in Ottawa but the trouble is there are not enough people willing to exercise it.
>
> In explaining some of the difficulties under which timber control operated, Mr. MacMillan stated that no bills of material had been taken off for millwork. The plans for the Debert job were received the day the government announced construction would begin, and the statement was made that the camp would be organized in six weeks' time. In this emergency timber control had bought all the material without tenders, a procedure entirely contrary to the government system of doing business.

It is a serious matter to Canada that the Debert construction programme should not have been under way before August 15, according to this report.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. BLACK (Cumberland): Mr. Speaker, I have asked my people to have patience, and there has been very little criticism. The feeling, however, has been fairly definite and fairly widespread that everything possible has not been done and that fair consideration has not been given the people of Nova Scotia and the maritime provinces generally. I do not wish to be unduly critical, but I do not see how I can remain silent with respect to these matters that are of so much concern to the people whom I represent.

In his statement a few days ago the Minister of Munitions and Supply (Mr. Howe) included a table showing the purchases by his department up to September 30, 1940. Total purchases in Canada amounted to $383,941,515. Of this total only $7,445,561 was spent in Nova Scotia, or less than two per cent. With

many of our industries idle or working on part time this cannot help but create discontent. About November 20 I received a circular, as did all other hon. members, I presume, from the office of the director of public information, indicating that the Department of Munitions and Supply had placed orders for 120 sets of harness and twenty portable sawmills capable of sawing 20,000 feet of timber a day, for use by the forestry corps overseas. In my constituency we have a prominent harness factory, and at Oxford we have a manufacturer of portable sawmills. I assumed that these firms had been given an opportunity to tender for these materials, and if that had been so, I would have had no complaint. I communicated with them, and set out the information contained in this circular. I had a reply from A. E. Wry-Standard, Limited, one of the larger harness manufacturers, who market their products over Canada, stating that they had never had even an inquiry, that they did not know the material had been required and therefore could not submit their prices. I wrote the Oxford Foundry and Machine Company, Limited, at Oxford, Nova Scotia, and from that company I received this telegram:

> Appreciate yours of 21st instant. No inquiry or tender received for portion of twenty sawmills required for forestry corps for operation in Great Britain. We feel this discrimination against maritime province industries. Thanks for your very fine cooperation.

These two firms are listed in the *Canadian Trade Index*, which is put out by the Canadian Manufacturers Association and accepted all over Canada as authoritative. Under "harness" is listed A. E. Wry-Standard, Limited, one of twenty-five firms under this heading; under "sawmills, portable", is listed Oxford Foundry and Machine Company, Limited, together with fifteen other firms. The Oxford company makes a specialty of these sawmills, supplying practically the entire requirements of the maritime provinces and even shipping some of their mills to the United States. They have patented many devices or appliances in connection with their sawmills and have acquired the reputation of being one of the best manufacturers of sawmills in Canada. How can the people of Cumberland or of eastern Canada be content when firms such as these are not given even an opportunity to quote? If they had submitted their specifications and figures; if the specifications were not suitable or the prices were too high, I would have no complaints; but I do remonstrate when firms such as these—and they are only two of many—are not even given an opportunity to tender.

Many new industries are being established in Canada; I understand that many millions of dollars are being expended for this purpose. None of these industries is being established in the maritime provinces. There is also the Christie Trunk and Bag company, of Amherst. There was some publicity given to certain requirements in their line, but they were not given a chance to figure either. I do not wish to be too critical, I waited upon Colonel W. A. Harrison, an executive of the Department of Munitions and Supply early last summer, and he gave me the assurance that he would do what he could to see that some recognition was given the people of the maritime provinces. I know that in some instances that has been done, but in many others it has not.

We have other industries as well, such as the rolling mills at Amherst. Since I came to Ottawa I have received representations to the effect that the workmen there are anxious to do their part but that the mill is about to close down because it has no orders. There are also the salt mines at Malagash; with the need for large chemical plants in Canada in connection with our war undertaking, some special consideration might be given them and the industries of eastern Canada, such as those I have mentioned.

Protection was given to our industries back in 1878; in some instances bonuses were given in order that industries might be built up for peace-time service and be ready in case of an emergency such as we have at the present time. Never in the history of Canada, however, have grants been made to industries to the extent practised since the beginning of this war, and particularly in recent months. It is time some consideration is given to the outlying portions of Canada that have sacrificed a great deal in the interests of victory. How can we expect to have a united war effort in all Canada if consideration is not extended to those outlying parts of the country? Not only should industries be established for war purposes; they should be given assistance in order that they might have an opportunty of continuing operations in peace time. Then there would be better distribution of industry throughout Canada, but so far as I know that has not been done in connection with expenditures in the maritimes by this government.

Another question which I am sorry I have to bring up is in connection with the airport in Amherst. I do not wish to be critical, but in justice to the people whom I represent here I must make a statement. Aeroplanes have been assembled at Amherst. How do I know? Well, a report was made to parliament

on May 21, 1940, covering the work being done in Canada, and in that report I find this paragraph:

> Amherst:
> The assembly of Anson wings and aircraft.
> The overhaul of Anson aircraft.

Amherst was asked to provide the land for a runway first, then for a standard port and then for a super-standard port, and Amherst complied with every request. The town was then asked to go fifty-fifty on the cost of grading the land. The money could not be provided until the expenditure was submitted to the ratepayers, who approved more than one hundred in favour to every one who voted against it. The people of Amherst have a patriotic interest in this, and they have, too, a money interest. The Right Hon. Winston Churchill, Prime Minister of England, expressed the views of the English people when he said that never in history did so many people owe so much to so few. Our people want to be of assistance, and they want to have the undertakings implemented.

I do not blame the Minister of National Defence for Air (Mr. Power). If I may judge from my contact with him, I would say that I am sure he wishes to get results. I do not blame Mr. Ralph Bell, who is in charge of aeroplane construction; knowing him as I do, I believe he, too, desires to get results. I did blame the Canadian Car and Foundry Company. I visited their plant at Montreal, and had a chance to see what they were doing. I doubt whether there is another firm in Canada that is doing better war work than this company. The people of Amherst are not at fault; so why have we not results? Someone is to blame. I am going to leave the matter there.

I am sorry the Minister of National Defence (Mr. Ralston) is not at present in his seat. I understand he is overseas conferring with the British authorities. May I pay my respects to him, and tell him that the people of Amherst, of Cumberland, in fact the people of not only Nova Scotia but of all Canada, have confidence in him and are proud of what he is doing. At the time of the last war he did his work well, and I am satisfied he will do it to the limit of his ability in the present war.

I am pleased, too, to join with other hon. members in welcoming to the house my associate from Nova Scotia, the Minister of National Defence for Naval Services (Mr. Macdonald). He is here only because duty has called him. Associated with me in this chamber are five of us who had experience together in the provincial legislature of Nova Scotia. That legislature has sent good men to this chamber and to the public life of Canada. From that legislature came Sir Charles Tupper, Sir John Thompson, at one time Prime Minister of Canada; the Hon. W. S. Fielding, the Hon. A. K. Maclean, and many others I could mention.

The Minister of National Defence for Naval Services has said in the house that he is here to speak for those men who go down to the sea in ships and do business in great waters. He also has the traditions of the British navy to follow, the traditions of Drake, Nelson, Beatty and Churchill. Churchill with whom to some extent he will no doubt be associated, was First Lord of the Admiralty soon after the declaration of war. It was he who sent ships of the British navy to Norway, irrespective of international law. We remember the greeting they got there, "The navy is here!" That is the watchword all over the world—in South America, in Iceland, on the stormy Atlantic—everywhere: "The British navy is here!"

Therefore my hon. friend, the Minister of National Defence for Naval Affairs has a great duty to perform and a great tradition to follow. He has to follow and be worthy of Mr. Churchill, that man of destiny, that man who, prior to 1939, was warning the British people, and who later became First Lord of the Admiralty. He was First Lord of the Admiralty at the beginning of the first great war, in 1914; with prescience, he felt that that first great war was coming, and kept the British Navy at sea so that it might be ready, its guns manned for action. This is the same Mr. Winston Churchill who was First Lord of the Admiralty back in 1911, 1912 and 1913, at a time when the then Prime Minister of Canada, Sir Robert Borden, wanted to do something to show the duty of this country to Great Britain and other parts of the empire.

Away back in those years Sir Robert Borden conferred with Mr. Winston Churchill, and the policy was then laid down whereby three dreadnoughts were to be built, the finest that science could devise or money could buy. It was Sir Robert Borden who in those years also laid down the policy that cruisers or destroyers would be built in Canada—a policy practically the same as that announced a few days ago in this chamber by the minister.

This statement was made either by Sir Robert Borden or by the present Minister of National Defence for Naval Services. Either of them could have said it:

> I do not believe, Mr. Speaker, that the Canadian people wish indefinitely to continue a policy which demands of Great Britain the sole responsibility of guarding our trade routes, or which on the other hand takes shelter behind the existence on this continent of a great and friendly power. I believe that Canadian pride, Canadian dignity, Canadian

consciousness of present greatness, Canadian hope for increased stature among the nations of the world all demand that we should assume our proper share of the burden of naval service hitherto borne so largely by the motherland.

Those were not the words of Sir Robert Borden; they were the words of the present Minister of National Defence for Naval Services. He was born thirty years too late, or he would have been standing side by side and shoulder to shoulder with Sir Robert Borden thirty years ago. Had that policy been carried out then, had we been united within the empire in Canada, in south Africa and in Ireland, there are many people who believe that that first great war would not have taken place—and perhaps we would not have the present one.

The minister announced in the house that the government was going to establish a naval college as well as build destroyers in Canada. I am sure those statements would not have been made by the minister unless they were to be carried out. I am sure that so far as the minister and the government are concerned, they have no political considerations with regard to matters of this kind. It is my view that the naval college should be located on the Atlantic coast. It was there in 1917, but was destroyed at that time by the great Halifax explosion. It should not be placed adjacent to balmy waters, but should be placed facing the north Atlantic, and in association with the fishermen of Nova Scotia, the Magdalen islands and of Newfoundland. Those men go down to the sea in ships, as the minister has described. There should be close contact with the British navy, with the stormy waters of the Atlantic and with the British people, and an understanding and friendly hand extended to the United States who are so anxious to cooperate with us with regard to naval matters.

I must hurry along to the discussion of a few more subjects with which I should like to deal. The largest industry in Nova Scotia is that of farming, but the farmers of that province are not prosperous. They receive low prices, and are faced with increasing costs. They have to compete with mass production, and the difficulties of processing and selling. They have made one request through their minister of agriculture in the local legislature, the Hon. John A. McDonald, and through their agricultural societies. That request is that they receive mill feeds at reduced freight rates, so that they might be placed on the same basis as were the people in Europe to whom those feeds were formerly exported.

The granaries of the west are overflowing. Our friends from the prairie provinces are anxious to dispose of their product, while the farmer of the maritime provinces wants those products. The minister and other representatives have asked for that reduction in freight rates, but up to the present they have not been able to secure it. The result is that they are unable to obtain these feeds at prices which would permit them to make the necessary purchases to feed their stock.

The farmers of Nova Scotia wish to be placed upon the same basis as the farmers of the west as regards the control of water. Millions of dollars have been spent in the west to control water, but in the constituency of Digby-Annapolis-Kings, represented by the Minister of Finance (Mr. Ilsley), there are dyke lands that have gone out to sea. In my county of Cumberland and in Westmorland there are large acreages of land which attracted the early settlers, but which are covered by the sea or have reverted to floating bogs. This matter should receive attention from the government, and I should think this was as good a time as any to put some of the idle machinery in the Department of Public Works to use.

Mr. SPEAKER: I have to inform the hon. member that his time has expired.

Some hon. MEMBERS: Go on.

Mr. BLACK (Cumberland): With the permission of the house, I have just a few more subjects to discuss.

Mr. ILSLEY: I do not like to take exception, and I do not think it should be necessary to take exception in a case of this kind, but the fact is that we are trying hard to get through and the hon. gentleman has been talking about nearly every subject except the one that is really before the house. I do not think that I can assent to his going on.

Mr. HANSON (York-Sunbury): This is a motion for ways and means, and I think hon. members can make budget speeches if they desire. But I agree that the forty-minute rule should be observed.

Hon. GROTE STIRLING (Yale): Mr. Speaker, I shall detain the house for but a few minutes because I desire to deal with just one phase of this motion. The measures which will result from the passing of these resolutions are for the purpose of enabling the government to conserve that comparatively small amount of United States exchange which is in our hands, for the purpose of buying from that country ever increasing quantities of materials, munitions and commodities of that sort required for the war. I am in full agreement with the desire which the government has in mind, and I referred to it when I spoke on the address ten days ago. My reason for being so strongly in

favour of this is that I see in Canada a certain number of people who of their own volition are making use of self-sacrifice in the expenditures which they are making. There is another group of people who, unthinkingly or in ignorance of the dire necessities of the case, have not yet begun to make use of self-sacrifice. There is yet another group of people who, through obstinancy or otherwise, have no intention of curbing their purchases unless they are made to. This measure is the government's gesture to bring home to all these people the necessity of looking at both sides of every dollar before it is spent.

The government have not seen fit to let us into the secret of what sum of money is being aimed at by this measure. It is said that it is anticipated that some $5,000,000 or $6,000,000 a month may be forthcoming, but we do not know the total that we should be aiming at. However, making what estimates we can from past peace-time years and adding to those what we imagine has been incurred by way of expenditures for war materials, it would appear to me that the sum will be but one-third or one-quarter of what will be required. I am of opinion that this is but a timid gesture which the government are making in this great necessity. It may be that they are trying out something; it may be that they are "flying a kite" in relation to what may happen in the budget some six months hence; but, whatever their motive is, it seems to me that it will not accomplish what appears to me to be the dire necessity.

The minister has erected a structure which is to be an obstruction to the useless waste of Canadian dollars. But, unfortunately, he has left in that structure what I consider to be a most serious gap. I think we shall see pass through that gap some $20,000,000 which need not pass. In his speech the minister anticipated the objections which might be raised to the omission of fruits and vegetables from those articles which are prohibited. He explained that this was not a protective measure. Of course it is not a protective measure; it is a measure to conserve dollars and to induce Canadians to spend those dollars in the wisest possible way for war purposes.

The minister said that when the government made representations to the United States, the United States said that they were not prepared to go the full way with Canada in its desire. We cannot delve into those conversations, but I cannot help thinking that the valour with which the government put up a plea in those conversations was not as great as it should have been. Canada must have explained to the United States the purpose of this measure, and it must have been pointed out that this was no attempt to reduce the amount that Canada would purchase from the United States, that it was being done with the intention of making every dollar count in this war effort in connection with which the United States have given so many instances of their desire and intention to help.

Of course they desire to help. We do not minimize the help that they will give and we greatly rejoice that this help will be forthcoming. But let us look the facts in the face. Let us recall that a year ago millions in the United States realized that only Great Britain stood between them and a very great danger for which they were not prepared. Since that day many, many millions of that great nation have come round to the same feeling, that nothing but the Royal Navy, the Royal Air Force, the mercantile marine and the people of Great Britain are standing between them and a jeopardy which they had not foreseen. That being the situation, it seems incredible to me that the United States with their enormous production of fruits and their enormous production of vegetables, many times greater than that of Canada, should have said, "We will do this much, but we will not do that."

When the minister made the statement that he thought there would be surprise at the omission of fruits and vegetables, I noticed that the free-trade supporters of the government showed that they appreciated that by the clapping on their desks. This makes me believe that, after all, there is some protection in this matter, at least in the way they look at it. But I would not be standing here and speaking in these terms if I misinterpreted the object of this measure. It is a measure to induce us to use those dollars that we have, to spend them in such a way that they will be of the greatest benefit in this war effort.

This evening I received a letter from Great Britain, written from Bristol, bombed Bristol. It was written before the terrible attack of ten days ago, but they had had 290 air warnings already.

The writer later referred to the fact that they were considering what they could substitute in the plum pudding for raisins which were not obtainable. If they are able to look round in that comparatively happy way, for the writer had just said, "compared with others we are well off," could the Canadian people not look round for substitutes for utterly unnecessary purchases in this emergency? Why should it be necessary for Canadian dollars to be spent on strawberries in January and exotic fruits many of which we do not produce, when the

people in the old country who are doing what they are for us are looking round and seeing what they can substitute for raisins in their puddings?

Why should it be necessary to import 10,000,000 pounds of melons of various descriptions in the three summer months when Canada produces canteloupes and melons galore? Is it not reasonable that the Canadian should assuage his anxiety to buy these exotic fruits until Canadian produce is available?

Something like $23,000,000 is spent in the year to bring in from the United States fruits and vegetables; that is a round figure; $16,000,000 of it is for fruits and $7,000,000 for vegetables, again in round figures. Within that $16,000,000 undoubtedly come oranges, grapefruit and lemons, those fruits which we do not produce. There are those in Canada who sincerely believe that these citrus fruits are a necessity of health. Suppose we grant that they are. Yet there are such extremely desirable substitutes as apple juice and tomato juice, which have so largely taken the place in our hotels and restaurants of the ubiquitous orange of a few months ago. Still, let us say for the purposes of argument, that it would be reasonable to treat these citrus fruits kindly. There come to Canada from the sterling countries considerable quantities of citrus fruits. Had the decision been so, and had the minister put the citrus fruits into the second part of schedule 1, where imports are permitted under permit, it would have been possible to satisfy the Canadian demand for citrus fruits from the sterling countries, thereby reducing the length of time in which the Canadian people would have had to do without that type of fruit, and then, if needs be, admitting them in the months when they could not be obtained from the West Indies.

But no. The government decided that this leak should exist, and through that leak will pass out dollars by the million, which to my mind spoils the equality of sacrifice that I desired to see demanded of the Canadian people by this measure.

But the value of the fruits is not all. Those fruits and vegetables come north from the places of their production to the Canadian boundary. They come by various forms of transportation owned in the United States. The freight rates have to be paid for in United States currency, and this means a further drain on dollars which is usually taken to be pretty nearly 100 per cent of the value of the fruits and vegetables. So, if we whittle that $23,000,000 down to $10,000,000 or $12,000,000 worth of these commodities brought in from the United States which certainly Canada could do without, we have to add another $10,000,000 of freight rates and payments to transportation companies, which has to be met in United States exchange, and we have the leak of $20,000,000 to which I referred just now.

Nor is that all. From all the centres of population in this country the habit has grown up of truckers going down to an appropriate market south of the line with money at their disposal to buy what they choose which can be sold at a profit in Canada. When you and I, Mr. Speaker, want to go into the United States we have to satisfy a certain board that it is necessary and that we need such and such a sum of money, and that sum of money is very often reduced below our desires. We have difficulty in obtaining even that much exchange. But the truckers do not. They are going there on a piece of business, and they go there and spend that money, that valuable Canadian dollar, that Canadian dollar which is in effect reducing the United States currency which we have at our disposal for war purposes. When the trucker comes north to the line again he displays an invoice, explaining on what he has spent his money. Let me ask the minister to pay particular attention to these invoices. Will he have them examined? There is such a thing as an invoice which does not truly represent the goods it is supposed to represent, and I would suggest to the minister that he put the requisite officers at work in checking, and then in double checking those invoices, and see if we could yet save comparatively small sums of money.

My reason for objecting to this leak, Mr. Speaker, is that I looked forward to this measure in the hope that where pressure was needed on Canadians who were not ready to bear their share of the burden, the pressure would result in the necessity on the part of those Canadians to use their money properly, in that way evening up a little bit that inequality of sacrifice, and make them give that little bit of assistance which already so many Canadians are voluntarily giving in this matter. Why should we not suffer? Why should we not spend ourselves so as to try and bring ourselves, which is Canada, nearer to those who are suffering, those who are dying, those who are giving everything they possess in this battle of freedom for us as well as for themselves?

Mr. GORDON GRAYDON (Peel): Mr. Speaker, my address on this resolution will by no means be the best during this debate, but I do lay claim to this one thing, that it will be the shortest.

This nation is at war. The budget resolutions are aimed at increasing our war effort. Upon their general principles I find myself

almost entirely in agreement with the Minister of Finance (Mr. Ilsley), because it is of prime importance to Canada that our foreign exchange position be guarded and maintained.

My plea, however, is that the resolutions do not go quite far enough. I am not convinced that the government gave sufficiently careful or sympathetic consideration to the admittedly heavy Canadian purchases of fresh fruits and vegetables from the United States. In that I am in agreement with the previous speaker (Mr. Stirling), who gave in much more detail than I shall do the entire picture of this trade.

This importation is steadily on the rise and is seriously sapping the vitals of our foreign exchange status. This year we shall import approximately $23,000,000 worth of these commodities. Over half of these purchases are of a class or kind produced by our own growers who are in turn asked to assist our national war effort. Added also to that is the fact that, roughly speaking, we are using up almost $43,000,000 worth of precious exchange when we add the freight charges of something like $20,000,000 to the amount which I already gave; and this, Mr. Speaker, at a time when we need every cent of foreign exchange on which we can lay our hands in order to purchase engines of war from our neighbours.

I plead with the Minister of Finance tonight to give comprehensive, earnest and sympathetic consideration to what, I think, is a simple and direct governmental duty at this time.

Canada surely cannot be serious in thinking that the use of our money supplies to buy United States fresh fruits and vegetables can be an effective means of helping our war effort while similar products to those which we purchase lie rotting in our fields.

The question is simply this, and with it I conclude. Shall it be, for this country, fresh fruits and vegetables, or shall it be munitions and supplies from the United States? That, I think, is a simple question. As a matter of fact we cannot have both from the same Canadian dollar. I think I know the answer. I think the government knows the answer. I think the house knows the answer. And I am sure the people of the Dominion of Canada know the answer, too. Need I say more? Surely this is a time for action rather than for words.

Mr. H. H. HATFIELD (Victoria-Carleton): I want to commend the Minister of Finance (Mr. Ilsley) for his budget, but it does not go far enough. There may be a reason for not including all fruits and vegetables in schedule 1, which is the prohibitory schedule; but surely such fruits and vegetables as strawberries, grapes and other small fruits, vegetables coming from Louisiana, Florida and California, and especially new potatoes and all grades of potatoes, should be prohibited, in view of the fact that we have in eastern Canada almost the largest surplus crop of potatoes in history, selling at half the cost of production, at a price of 20 cents a bushel to the grower. There are coming into Canada at the present time potatoes of a lower grade than the growers of Canada are allowed to ship to market. There is in the United States and Canada one of the largest crops of potatoes that we have had in a great many years, and the only shortage is in the provinces of Manitoba and Ontario. I contend that foreign exchange should not be allowed to be used for imported potatoes when we have a surplus crop in this country and the potato growers are able to supply our markets the year round.

According to the last Canada-United States trade agreement we are not allowed to ship potatoes to the United States except under a quota, but there is no quota or any other restriction upon United States potatoes entering Canada. Surely their potatoes, the production of which is assisted in every way by the United States department of agriculture, should not be allowed to come into Canada and compete with our Canadian potatoes at this time when our growers are selling their potatoes at less than half the cost of production, for that is what they are doing this season. In the last two months more than ninety-one carloads of potatoes came into Canada from the United States. I quote the weekly imports furnished by the Department of Agriculture of potatoes marketed in the city of Winnipeg, Manitoba.

	Car loads	
Week ended	From Minnesota	From the Dakotas
October 3	2	1
" 10	..	9
" 17	..	17
" 24	..	22
" 31	7	9
November 7	2	7
" 14	1	3
" 21	1	2
" 28	..	6

These potatoes sold at ten cents per hundredweight lower than Alberta Gems, and forced the Canadian market down.

The maritime provinces have received from this government no such assistance as the United States potato growers have had from theirs. Across the border from my constituency, in Maine, potato growers are now receiving fifteen cents a bushel for every bushel of potatoes they deliver to the starch factories. This bonus tends to lift the surplus from the market and give the grower a better

price for his marketable potatoes. The potato growers in the maritime provinces receive practically no attention from our Department of Agriculture. This government could assist the eastern potato growers at very little cost by making arrangements to increase the production of potato starch and dextrine, and at the same time help our war effort, because the British empire needs these starches and dextrines for the textile trade and for the manufacture of explosives.

The starch factories now operating in Prince Edward Island and New Brunswick cannot begin to handle the surplus supply of potatoes this season.

Mr. SPEAKER: Order. I have to call the attention of the hon. member to the fact that he is reading his speech.

Mr. HATFIELD: The starch factories in Prince Edward Island number three, and there is one in New Brunswick, with another under construction which, I hope, will soon be in manufacture. These factories will not begin to handle the surplus of potatoes. Not only potato starch, but potato dextrine and wheat starch are needed in Great Britain. We are sending thousands of dollars out of Canada for the importation of corn to be manufactured into corn starch in this country. This corn comes from south America and south Africa. Low grade wheat would make wheat starch which is equal to or better than corn starch, and also dextrine and a better grade of glucose than can be derived from corn. We are, however, sending away thousands of dollars for corn which comes in free of duty to be manufactured into corn starch. I suggest to the government that they get in touch with our corn-starch manufacturers and invite them to erect factories for the purposes I have mentioned. I believe the Canada Starch company have a factory at Fort William which they have not used for years and they could use the surplus of low grade wheat.

We cannot continue increasing the crop of potatoes in eastern Canada and the crop of wheat in the west for food purposes because we have at the present time more foodstuffs than the markets will absorb. Agriculture has come to the manufacturing stage and the sooner the government assists in the manufacturing of agricultural products, the better. Canada is the only country in the world to-day that is not assisting in this direction. The United States government has just voted $6,000,000 for the erection of four laboratories in that country to look into the manufacture of power alcohol. Power alcohol will account for 80,000,000 bushels of western wheat, and low grade wheat at that.

We cannot go on in the west piling up wheat and building more storage space. Every bushel of wheat that goes into storage overhangs the market and every bushel that goes into a manufacturing plant is taken off the market. Wheat will make the finest starch, dextrine and glucose, and calls are coming now from the British empire, China, south Africa and south America, and all countries that are not blockaded. The textile trade of Great Britain is in need of starch, both potato and wheat dextrine.

With your permission, Mr. Speaker, I should like to put on the record a brief prepared by a chemical engineer who left Poland before the Germans entered. He had a plant for the manufacture of power alcohol from wheat, barley and soya beans. It was worth a million and a half dollars and he destroyed it before he left. I wonder whether I may place this statement on the record.

Mr. SPEAKER: Is the brief lengthy? Only with the consent of the house may it be put on *Hansard*.

Some hon. MEMBERS: Go on.

Mr. HATFIELD: I think it would be of interest to western members. It is as follows:

Arguments for the Erection of Industrial Plants in Canada for the Production of Power Alcohol

A. Present situation of the alcohol industry in Canada.

In 1938, alcohol production was about ten million proof gallons, including 4,250,000 gallons commercial alcohol. For this production, the following raw materials were imported:

Corn .....lbs.	72,000,000	value	$ 1,200,000
Molasses ..... "	89,000,000	"	650,000
Fuel oil .....gals.	2,240,000	"	106,000

In 1940 these figures will be increased considerably. Canada, having an overproduction of agricultural products suitable for the production of alcohol, imported over $2,000,000 of raw materials for this industry. By the new methods for producing alcohol from domestic raw materials—potatoes or grains—it is possible to obtain alcohol cheaper than from imported molasses and corn, and also by this method to obtain very valuable residues (slops) rich in protein vitamins and yeast. These residues are very valuable foodstuffs for cattle and poultry. From the production of ten million proof gallons annually, an amount of about 10,000 tons of this high value feed would be available.

Thus it is possible to liquidate the import of molasses and corn for cattle food. The total amount of these imported products for industrial purposes and for cattle feeding amounted to the following for the year 1938:

Molasses ....gals.	12,600,000	value	$ 2,180,000
Corn .....bus.	15,500,000	"	10,330,000

B. Importance of creating a power alcohol industry in Canada.

1. Trade balance.

Canada imports $60,000,000 of petroleum products per year, and over $2,000,000 of tetra ethyl lead. The amount of these imports will increase on account of the development of motorization, and with the difference of exchange between the Canadian and American dollars.

The consumption of gasoline in Canada amounts to over 800,000,000 gallons per year. A blend of 20 per cent of alcohol (160,000,000 gallons) mixed with gasoline will not only improve the quality of gasoline from 63 to 80 octanes, but will save in trade balance about $15,000,000 per year in imported petroleum products.

When producing 160,000,000 gallons of absolute alcohol per year from grains and potatoes, Canada will get about 320,000 tons of the above mentioned valuable foodstuffs. This cheap fodder will increase the production of milk and eggs; will create conditions for the breeding of cattle and pigs, and will also be the basis of a new industry of next products, thus liquidating the import of animals and animal products, which amount at present to $30,000,000 per year.

2. Profits for Agriculture.

Canada produces per year the following average amount of grains and potatoes:—

Wheat	bushels	300,000,000
Oats	bushels	330,000,000
Barley	bushels	80,000,000
Rye	bushels	10,000,000
Potatoes	cwts.	40,000,000

The value of field crops amounts to $600,000,000 per year. Because of the overproduction, and lack of export in some years, this figure decreases to less than $500,000,000. This difference is a big loss for the farmers.

When adding 20 per cent of alcohol to gasoline, we create a consumption of 160,000,000 gallons of power alcohol per year. This quantity of alcohol would need 80,000,000 bushels of grain, and would provide every year a "safety valve" in the grain price market, by taking this amount of grain out of the market for good. From the economic point of view, the production of power alcohol is not less important than the grain elevators problem was some years ago. Grain elevators provide for the storing of grain only. Modern alcohol factories, using agricultural products, decidedly rid the markets of agricultural overproduction, which does not return to the markets at a later date. Moreover, the cost of investment in a modern alcohol factory for one ton of processed grain is not greater than the construction cost of the same amount of grain elevators. Producing alcohol from grain saves the cost of grain storage. Alcohol is usually produced from the lower grades of grain, which increased therefore the value of the other grades of grain. Constructing an alcohol factory where the grain grows, saves 70 per cent of its weight in the cost of transport, or 90 per cent when dealing with potatoes. The weight of the alcohol produced from grain amounts to 30 per cent of the weight of the grain, or 10 per cent of the weight of potatoes. Besides this, the farmer gets the valuable fodder mentioned above, which gives him the possibility of an additional revenue on the breeding of cattle and poultry,

[Mr. Hatfield.]

receiving at no charge a great amount of fertilizer. Thus he reduces the cost of the production of grain.

3. Indirect profits of development of the power alcohol industry for the economic life in Canada.

The construction cost of a modern factory to produce 10,000 gallons of alcohol daily is estimated at $500,000. If the industry were to be developed to the extent mentioned, i.e., 160,000,000 gallons annually, a capital investment of $25,000,000 would be necessary. The buildings and machinery equipment can be executed in this country. Thus the building and machinery industries would be able to give work to a large number of unemployed. The new alcohol industry itself would be able to give permanent work to 5,000 workers, not including the farmers nor the industries connected with the alcohol production.

The fifteen years' experience of 35 countries of the world which introduced the production of power alcohol, indicates that these countries not only did not suffer though cancelling the taxes of the power alcohol which takes the place of taxed gasoline, but received them back from the improved agriculture, through the decrease of money grants to farmers and unemployed, also saving at the same time many foreign payments already mentioned. During the last few years, Brazil, Italy, and Japan, increased many times the power alcohol production. Now, Australia is developing a great programme of production.

Among the agricultural countries, Canada is the only one which has not done anything yet about this important industry.

4. The alcohol industry and the war.

The war is a great consumer of alcohol, as it is required for the production of explosives, and other war needs. Production of alcohol in England is based on imported molasses. Because of transport difficulties, it would seem useful to construct immediately some alcohol plants in Canada, using domestic raw materials. Canada, being free from air raids and invasion would be able to deliver alcohol to England in connection with its war programme of supplies.

C. Execution of the programme.

The construction of a power alcohol plant under actual conditions, would require at least eight months. Considering the large area of Canada, it would be wise to construct two or three plants at once, in different centres of large agricultural overproduction. These pilot factories would give practical results as to the cost of production, as well as the economic point of view. The results obtained would give a basis for the construction of other factories.

D. Recapitulation.

The creation of power alcohol production in Canada would give the following benefits:

1. Decrease imports per year as follows:

Molasses and corn.....	$12,000,000
Petroleum products.....	15,000,000
Animals and animal products	30,000,000

2. Protect agriculture against marketing losses of $50,000,000 to $100,000,000 per year.

3. Increase taxable revenues from the more profitable agriculture and the new industry in alcohol.

4. Reduce unemployment in agriculture and industry.

5. Save cost of transporting 70 per cent of 80,000,000 bushels of grain annually.

6. Save cost of storing 80,000,000 bushels of grain annually.

7. Supply agriculture with a cheap valuable fodder as well as fertilizer, and create the basis of increased animal production and meat industry.

8. Ensure delivery of a great amount of alcohol for war purposes from domestic raw materials.

9. The use of the lower grades of grain in such large quantities will increase considerably the value of the rest of the grain.

10. Provide a "safety valve" for the grain price market, even of more importance and utility than the grain elevators question a few years ago.

(The basic figures given in above report can be confirmed by the *Canada Year Book*, 1939.)

I should like to see the Department of Agriculture do something to assist the potato growers of eastern Canada especially in the maritimes. We have no market in the United States this year. Our export market has been shut off.

I wish to commend the Minister of Trade and Commerce for his trade mission to south America. I believe I brought this matter up in June. It is late, but better late than never. I suggest, however, that they will have to go further than a trade mission. The United States government has been building a steamer a month for the last ten months and turning these ships over to the operators for the purpose of capturing the trade which Germany and the Scandinavian countries had in south America before the war. We need shipping facilities to south America. There is a very large trade there for the agricultural products of Canada.

The bacon agreement made by the Minister of Agriculture (Mr. Gardiner) while in the old country is lower by $2.28 a hundred than the former agreement, and in the meantime prices of mill feeds and of everything else that go into the production of hogs have risen, so that our eastern farmers are up against it and are cutting out the raising of hogs.

I see that the war-time prices and trade board has fixed a maximum price for butter. Why should it fix a maximum price for butter when it has fixed a minimum on apples and wheat? If we want the dairymen of Canada to take their milk to the cheese factories there is no need to use force. The dairymen are loyal and they will cooperate. All the government has to do is to tell them that cheese is required instead of butter. There is no need to fix a maximum price for butter. It can go as low as you like, but it cannot go higher, and if butter is in the hands of speculators it should not be. The government should have some system of handling butter in surplus periods in the summer months, and the farmer who makes the butter should have the benefit of the excess price in the winter.

May I say something now about fertilizer and fertilizer chemicals. When the war import tax of 10 per cent was imposed it covered fertilizer. Our fertilizer chemicals have to be imported. The exchange tax of 10 per cent meant to our farmers, who are selling their produce below cost of production, an advance of from $3 to $4 a ton. Only one fertilizer chemical is produced here, namely, sulphate of ammonia. That is handled by one firm who immediately advanced the price $4 a ton or 10 per cent. This should not be allowed.

There is no reason why we should send out foreign exchange for the importation of corn. I would suggest that the government establish a committee to look into the question. The Department of Agriculture and the Department of Trade and Commerce should study the whole subject. We should be using up our low grade western wheat. Two hundred million bushels of wheat could be used in the manufacture of starch dextrine, glucose and power alcohol. Two million dollars' worth of tetra ethyl lead is imported, raising the octane value of gasoline. Power alcohol, wheat alcohol or potato alcohol would give the same results.

I suggest that the government do away with the central experimental farm and turn over the experiments to the national research council. The council is doing a wonderful job in Ottawa, whereas the farm has outlived its usefulness. There are enough offices at the central experimental farm without building more. Agriculture to-day is not bothered with the problem of production. It has surpluses. Give the farmer a decent return for his products and he will soon find ways of producing them. It is not the production we need so much as the marketing.

The people of Canada are tired of the waste that is going on in our war effort. They are tired of seeing money spent for the construction of small arms factories and so on. Nothing but aeroplanes will win this war, and an aeroplane factory should be built in every province.

An hon. MEMBER: Is the hon. member an expert?

Mr. HATFIELD: No, I am not an expert, but that is what the people are calling for. And since the people are demanding that we build aeroplanes we should start now to do so, even though it is late. We should not be importing aeroplanes; we should be spending every possible dollar in the construction of these factories. In the meantime we should buy aeroplanes wherever they can be secured, and send them to Britain to help carry on this war.

In conclusion, I should like once more to suggest to the government that a committee be formed to look into the manufacture of our surplus farm products, thus doing away with the necessity of using foreign exchange for the importation of farm products to be manufactured here.

Mr. ANGUS MacINNIS (Vancouver East): Mr. Speaker, I wish to say just a few words on the motion and the amendment. First, I should like to endorse the statements made yesterday by the acting leader of this group, the hon. member for Rosetown-Biggar (Mr. Coldwell); that is, the budget proposals in the main are satisfactory, as far as they go. Measures will have to be taken to ensure that prices of home products are not increased where importations are restricted or prohibited. The necessary safeguards, however, I think can be better discussed when we are dealing with the items in the schedules. My purpose in rising at this time is to support the amendment proposed yesterday by the hon. member for Rosetown-Biggar and seconded by myself. Our amendment has two virtues: it is very simple, and it is very direct. I should like to read it again for the benefit of hon. members. It reads:

That all the words after "that" in the said motion be struck out and the following substituted therefor:

"This house regrets that the government has not seen fit to introduce proposals for the raising of a compulsory war loan free of interest to be levied according to ability to subscribe."

In his two speeches on the address in reply to the speech from the throne the leader of the opposition (Mr. Hanson) referred at considerable length to the last war loan. Speaking just last Tuesday, he referred to the failure of the loan and the necessity of finding some procedure to get large numbers of individual investors to subscribe. He said that he did not know what the cure was, but that there would have to be concerted action. Well, we are proposing concerted action, and, moreover, action that is in conformity with the provisions of the National Resources Mobilization Act of 1940. I will quote the important section of that act, which reads:

2. Subject to the provisions of section three hereof, the governor in council may do and authorize such acts and things, and make from time to time such orders and regulations, requiring persons to place themselves, their services and their property at the disposal of his majesty in the right of Canada, as may be deemed necessary or expedient for securing the public safety, the defence of Canada, the maintenance of public order, or the efficient prosecution of the war, or for maintaining supplies or services essential to the life of the community.

[Mr. Hatfield.]

When the amendment was proposed yesterday, I thought I detected hostility to it from the attitude of certain hon. members opposite. I am at a loss to understand why that should be the situation, since these members gave their unanimous support to the National Resources Mobilization Act less than six months ago. The purpose of that act, as is clear from the section I read, was to give the government power to take whatever measures were necessary for the effective mobilization of the resources of this country, both human and material, for the prosecution of the war. At the time that act was under discussion this group pointed out that we were fearful, because of past experience, that in its operation the act would be applied only to persons and not to property. So far the act has been applied only to persons. In reply to our expressed fears in that regard the Prime Minister (Mr. Mackenzie King) said, according to *Hansard* for June 18, 1940, at page 902:

The measure is intended to cover every resource that the country has, human and material. But may I ask my hon. friends this question: What justification is there for assuming that it is only going to be the provisions of the measure related to the human that will be invoked and not the material? Is not any fair-minded man entitled to say that there is just as much reason to assume that this bill is introduced solely for the purpose of applying it to material things?

The hon. member for Rosetown-Biggar said:

Experience of the past.

Then the Prime Minister went on:

Not experience of the past. I absolutely deny that statement. Does my hon. friend mean to say to me he believes I place more value in material things than I do on human life?

The fact of the matter is that we were at that time fearful that this act would apply only to human beings, and we stressed that point. We tried in every possible way to get this house to put itself on record that it would deal with material things first. What has transpired since the act was passed last June is sufficient proof that we were wise in taking heed of our past experience.

The young men who have been called up since the national registration are wondering why the act should apply to them, why they should be registered, tabulated and on call. They know that if they do not show up at the appointed place at the appointed time, a policeman will knock at their doors and find out very quickly the reason why. They wonder why all this is done, when no attempt is being made to take the wealth of people who have been bleeding this country since and even during the last war.

In my home city of Vancouver young men in their 'teen age are walking the streets without anything to do, and without a place to lay their heads. They are sleeping in boxcars and empty buildings—any place they can find. As soon as they reach the age of twenty-one they will have to answer the call and take their turn at training, in order that they may give their lives, if necessary, to defend a country which will not feed them. I think it is far more appropriate that people to whom the country has been kind, people who have been able to amass large amounts of this world's wealth, and who have been able to lay that money to one side, should be called upon at this time of need to give of their means and their wealth in defence of their country, without waiting until it in its extremity will have to give them higher interest rates or higher wages for their money.

Why should there be any opposition to compulsion? As I have said, we have already voted for compulsion. This house has approved it; it is on the statute books; it is the law; it is being applied to human beings. Then, why should there be any opposition to its application to money or to wealth? Surely, when hon. members voted for the National Resources Mobilization Act, they did not make mental reservations. Surely they did not from their experience of the past conclude that it would not apply or that it would not be used to take property. But let us consider this matter of compulsion. Is not all taxation a matter of compulsion? So far as compulsion is concerned, what is the difference between digging into the pay envelope of the young man or young girl, old man or old girl, if you like, who gets a measly $50 or $60 a month, and taking out 2 per cent of the wage and calling it a national defence tax, and taking from the savings of those who have been receiving anywhere from $5,000 to $50,000 or more a year for the past number of years, and asking them to lend a part of it without interest to the country in its time of emergency?

There is no ethical difference in the world, so far as the two cases I have mentioned are concerned. If there is any difference, and if any different method should be applied, surely it is the person who is getting the low wage who should be exempt, and not the other person who has a good living and idle money.

I believe I read somewhere in a bankers' magazine that the real purpose of savings certificates and of urging persons of small means to subscribe to war loans is not so much to get the money but rather to take the money out of circulation, so that it will not be used for ordinary consumption purposes. People who have huge savings accounts are not limited in what they can buy, as long as they have those accounts. Very wisely, I believe, our amendment does not go into detail as to how a measure such as we suggest, or a loan such as we have proposed, should be organized. We have not made any suggestion as to what amount of savings should be exempted or taken. We leave all that to the minister and his capable advisory staff.

As I have said, however, there is plenty of idle money in the country. I have in my hand the last return made by the chartered banks of Canada, showing deposits in those banks as at October 31, 1939. The return shows in savings accounts an aggregate amount of $1,705,455,083. There are 4,160,897 accounts, but in 3,828,291 of them the average deposit amounts to only a little over $118. The details of the table I have before me are as follows:

Deposits	Number of depositors	Aggregate deposits	Average deposits
Of $1,000 or less	3,828,291	$ 454,885,624	$ 118
Of $1,000 to $5,000	290,222	588,261,912	2,026
Of $5,000 to $25,000	40,001	348,860,597	8,721
Of $25,000 to $100,000	2,757	123,329,760	44,733
Of $100,000 and over	626	190,117,190	303,701
	4,161,897	$1,705,455,083	

There are 626 people in Canada with savings accounts that average over $303,000. That money is being left intact in the banks and is growing from year to year. Yet we take 2 per cent out of the pay envelopes of those girls mentioned the other evening by the hon. member for Fraser Valley (Mr. Cruickshank), whose wages are so little that the only breakfast they can afford is a cup of coffee and a cigarette. This way of raising money is not good enough for people who are saving civilization. We must change our ideas of values—of things worth saving. We must place a greater value upon human life, human welfare and human happiness than we place upon large bank accounts accumulated over the years by people in favoured positions.

I do not think the people of this dominion can consider that they are more patriotic, more interested in doing the utmost for the cause for which we are fighting, than the people of our sister dominion of New Zealand. The proposal we are making is for a compulsory loan to which people would subscribe according to their ability to do so. This principle was adopted in New Zealand a considerable time ago. So I ask the house to give its approval to this amendment. It is in absolute accord with the National Resources Mobilization Act. It asks only that those people who can afford it shall give of their idle money for a short time, that time depending upon how long it takes us to win the war.

Mr. LIGUORI LACOMBE (Laval-Two Mountains) (Translation): Mr. Speaker, the war budget now under consideration by the house is closely related to the financial and economic position of the country. That is why I have decided to make a few brief remarks in what I believe to be the interests of the Canadian people.

As regards the amendment presented by the hon. member for Rosetown-Biggar (Mr. Coldwell), it would seem to be but another attempt at conscripting wealth. We must therefore reject it as should be rejected conscription of any nature, for in the preparation of a budget, as in all things, our first care must be to avoid imperilling the economic life of the nation.

Agriculture is, particularly in war time, our principal industry. To lessen agricultural production, to take away the labour essential to its prosperity would be a tragic mistake. The various countries vanquished by Germany were subdued through lack of food and munitions. In these difficult times, agriculture must not only carry on but develop and expand. Farm production, intensified and reorganized with the assistance of public bodies, will triumph over the obstacles that lie in the path of sacrifice whereon treads a world in distress. Liberty, justice and right cannot successfully oppose barbarism without the support of that living force that is agriculture.

Many have suggested that the training period of our young men be extended from one to four months. Such a measure would be most inopportune. It would paralyse agricultural production and consequently this country's war effort. Numerous are the young farmers, journeymen and technicians who have had to request from their local registrars delays and postponement of their training under the mobilization act. Such postponements are granted however only in extremely serious or special cases. It has been said that the training of young farmers at the end of autumn and during the winter would not impair agricultural production. This is not correct. A great many young men and as many heads of families have pointed out to me that it would be impossible for them to find the help required for the maintenance of production figures and the sound management of their farms. Certain farmers in my riding sell a great deal of milk the whole year round. Many of them are the owners of certified herds, having invested in the dairy industry the greater part of their assets. Concerned with public hygiene, they have erected their farm buildings according to plans and specifications furnished by the governments. Briefly, there exists for them no off season, no more than for any progressive farmer to my knowledge.

The same remarks apply in the case of market gardeners. There are in my riding a great many hot-house owners who produce fresh vegetables all winter long. Their installation and equipment costs have been rather high. Why should we now add to their already heavy burden of poor returns for farm produce that of a scarcity of labour. Therefore do I demand for agriculture and all the vital industries of the nation, on which depend the economic balance and the salvation of this country, all the assistance required not only to pass through a trying period but also for the solution of those distressing post-war problems. When the present conflict has reached an end, the lost peoples of the earth will turn to the land in their supreme struggle for life. What industry better than agriculture will then be able to resist the far-reaching reactions provoked by war? In so far as it is essential to life, thus will its decline paralyse all initiative. Side by side with armament plants erected at the cost of enormous sacrifices, the governments should build a first rate agricultural industry.

The worst enemies of agriculture are: the desertion of rural areas, war profiteering and the unfair distribution of taxes. Sixty years ago or more, the farm population of Quebec represented four-fifths of the total population in that province. The exodus toward the cities, begun in the years following 1880, has been increasing ever since and to such an extent that there exists to-day a terrifying lack of balance in this regard. At the moment, two-thirds of the population of Quebec live in urban centres. In the face of such a deplorable economic situation, what policy should our governments follow? They should endeavour to prevent this wholesale desertion of our rural districts by adopting measures destined to en-

courage and protect agriculture; to promote understanding and appreciation of agriculture through education, farmers' organizations and cooperation; to check by every means profiteers who exploit the poverty and efforts of the producer and the consumer.

While there were more than fifty million pounds of butter stored in various warehouses throughout the country, we recently experienced a rise in the price of this commodity to the sole profit of the speculator. The price obtained by the producer for his milk remained in fact the same, and both he and the consumer were thus exploited. One might make the same observation in connection with a great many other farm products. How can such reprehensible speculative operations be tolerated at a moment when the workmen of the soil and the factory are making enormous sacrifices? Taxes of all kinds have been placed not only upon luxuries but also upon the necessaries of life. Consider, for instance, the tax placed upon containers destined to our home industries, and the additional taxes upon the very products of such industries. Let us beware of awakening one day to find agriculture in an irreparably exhausted state. Let us keep on the land the labour essential to its development. Let us not tear away from agriculture the youth in whom rests the survival of this nation. Nowhere else could they render greater service to their country than on the farm. The day agriculture is sacrificed, then may we expect the worst to befall us.

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, I have just a few words to say on the amendment moved by the hon. member for Rosetown-Biggar (Mr. Coldwell). The habit has grown in this debate of referring to the speech that I made here last Monday as a budget, and to the proposals as budget proposals. I think it is unfortunate that members should have fallen into the habit of referring to it in that way because it has led us into many speeches some of which I think perhaps would not have been made had the purpose of these proposals been kept more clearly in mind. The budget, of course, is a different thing entirely. The budget estimates the revenues and expenditures for the coming year and ordinarily proposes the imposition of taxes, presents a financial statement, and otherwise deals with the financial affairs of the country. But this was in no sense a budget. These proposals have one purpose and one purpose alone, namely, the conservation of foreign exchange. Such taxation measures as were proposed were incidental and supplementary to the main proposals which were for the object I have mentioned. I was very careful in the proposals to leave out anything of a taxation nature or anything which could be construed as being introduced for the purpose of raising revenue.

There are measures which I should have liked to introduce in the house this session if the circumstances had been just a little different. For instance, I announced in September last that income taxpayers would have the privilege of paying their income tax by instalments; that is, the income tax which will be due on April 30 next. If the taxpayer should pay one-third of his tax in four monthly instalments before April 30, he would have the privilege of paying the other two-thirds of his income tax in four equal monthly instalments following April 30. It is necessary that this be authorized by act of parliament, and I was tempted to include that proposal among the proposals submitted at this session, but I purposely left it out because I did not want the house to fall into any confusion about the purpose of these particular proposals. They are introduced for one purpose and for one purpose alone.

The procedure was to move that the Speaker do leave the chair for the house to resolve itself into committee of ways and means. I believe that under the standing orders it is possible under a motion of that kind to move an amendment such as the one proposed. But while that may be, I presume, technically possible under the rules, nevertheless it is not, I submit, a proper amendment for consideration on its merits by the house at the present time. It is simply a motion of non-confidence in the government and must be regarded by the government as such. It is equivalent to saying this: The government is moving that the Speaker do leave the chair for the house to consider certain proposals for the conservation of exchange, but I, the mover of the amendment, and my supporters, think that, instead of doing that, the house should go on record as condemning the government for having taken the wrong line in its general financial policy. Of course that is a serious motion, and if it were to be treated on the merits it would require a full discussion, a great deal of debate, and so forth. But I do not think the house or the country will expect us at this stage, before the Christmas recess, to depart from the consideration of exchange conservation measures into a broad discussion of general financial policy. I hope not, and I think that is the feeling of the house and also the feeling of the people whose eyes are upon us here.

So, Mr. Speaker, I am going to content myself to-night with simply pointing out

to the house that, if the amendment passes, we are prevented from considering the exchange conservation measures because the Speaker will not leave the chair. Those words, if the amendment carried, would be struck out, and we would be prevented from considering exchange conservation measures which I believe everybody in the house agrees are necessary and urgently necessary.

I would also point out that, if the amendment carries, it is equivalent to a vote of non-confidence in the administration and would be followed of course by the results which normally attend such a vote. I would suggest, therefore, that the house deal with the amendment on those considerations. At the proper time there is no objection at all to amendments or proposals of this kind being considered on their merits, and we will consider them on their merits. But I am suggesting to you, Mr. Speaker, and to the house that this is not the time and the place, and I am going to ask the house to reject the amendment, for these reasons.

The house divided on the amendment (Mr. Coldwell) which was negatived on the following division:

YEAS

Messrs:

Bence
Castleden
Coldwell
Diefenbaker
Douglas (Weyburn)
Gillis
Hansell
Hlynka
Jaques
Kuhl
McGregor
MacInnis
Marshall
Nicholson
Perley
Quelch
Ross (Souris)
Shaw
Wright—19.

NAYS

Messrs:

Abbott
Anderson
Bertrand (Laurier)
Bertrand (Prescott)
Black (Chateauguay-Huntingdon)
Blair
Blanchette
Bonnier
Boucher
Bradette
Cardin
Casgrain
Casselman (Edmonton East)
Casselman (Grenville-Dundas)
Chevrier
Church
Clark
Cleaver
Cloutier
Corman
Coté
Crerar
Crète
Cruickshank
Damude
d'Anjou
Davidson
Dechene
Denis
Donnelly
Douglas (Queens)
Dubois
Dupuis
Durocher
Edwards
Emmerson
Esling
Eudes
Evans
Ferron
Fontaine
Fournier (Hull)
Fraser (Northumberland, Ont.)
Fulford
Furniss
Gardiner
Gauthier
Gibson
Gingues
Gladstone
Golding
Goulet
Graham
Graydon
Green
Hanson (Skeena)
Hanson (York-Sunbury)
Harris (Danforth)
Hazen
Healy
Henderson
Hill
Hoblitzell
Homuth
Hurtubise
Ilsley
Jean
Jutras
Kinley
Laflamme
Lafontaine
Lapointe (Quebec East)
Leader
Leclerc
Leger
Little
Lizotte
McCann
McCuaig
McCubbin
MacDiarmid
Macdonald (Halifax)
Macdonald (Kingston City)
McDonald (Pontiac)
McGibbon
McIlraith
McIvor
MacKenzie (Lambton-Kent)
MacKenzie (Neepawa)
McKinnon (Kenora-Rainy River)
MacKinnon (Kootenay East)
McLarty
MacLean (Cape Breton North-Victoria)
McLean (Simcoe East)
Macmillan
McNevin (Victoria, Ont.)
McNiven (Regina City)
MacNicol
Marier
Martin
Matthews
Mayhew
Michaud
Moore
Mullins
Mulock
Neill
Nixon
O'Neill
Picard
Pinard
Pottier
Pouliot
Power
Purdy
Reid
Rennie
Rhéaume
Rickard
Roebuck
Ross (Calgary East)
Ross (Hamilton East)
Ryan
Sanderson
Senn
Sissons
Slaght
Soper
Stirling
Sylvestre
Taylor
Telford
Thauvette
Thorson
Tripp
Tucker
Turgeon
Veniot
Vien
Ward
Warren
Weir
Whitman
Winkler
Wood—145.

PAIRS

(The list of pairs is furnished by the chief whips.)

Messrs:

Mackenzie King — Blackmore

Mr. BLACKMORE: I was paired with the right hon. Prime Minister (Mr. Mackenzie King). Had I voted I would have voted in favour of the amendment.

Motion (Mr. Ilsley) agreed to on division.

WAYS AND MEANS

SPECIAL WAR REVENUE ACT

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

Resolved, that it is expedient to introduce a measure to amend the Special War Revenue Act and to provide—

1. That schedule 1 of the said act be amended as follows:

(a) by repealing paragraph 1. (a) thereof and substituting the following:

1. (a) Automobiles adapted or adaptable for passenger use, with seating capacity for not more than ten persons each, valued at	
$900 or less	20 per cent
Over $900 but not more than $1,200	20 per cent on $900 plus 40 per cent on the amount in excess of $900.
Over $1,200	20 per cent on $900 plus 40 per cent on $300 plus 80 per cent on the amount in excess of $1,200.

Mr. GREEN: Will the minister explain to the committee just what objective he has in mind in increasing this excise tax on automobiles? It does seem to me that the government overlooks the fact that for many of our people an automobile is not a luxury at all but a necessity; for example, for the majority of our farmers, for many of our tradesmen in the cities and towns, for physicians and for salesmen. Perhaps hundreds of thousands of Canadians have to use automobiles to make their living, and it seems to me that the government should have very good reasons for increasing the excise tax on automobiles produced in Canada. I would ask the minister to explain just what he is aiming at in taking this drastic step.

Mr. ILSLEY: The importation of automobiles into Canada will be prohibited under the provisions of the War Exchange Conservation Act, when it is passed, and it is not desired simply to transfer the business from those selling imported automobiles to those selling domestic automobiles.

That is one consideration. The second and more important consideration is this. We are informed that manufacture of automobiles makes drains upon plant capacity, upon materials and upon labour, which can be used very suitably in our war effort and which will be required in rapidly increasing degree for our war effort. While it is recognized that for many people automobiles are more or less a necessity, yet it is hoped that there will be a tendency on the part of the people of Canada to use their old cars longer instead of buying new cars, so that there will not be a drain in the form of resources that are required in the manufacture of a large number of automobiles. I do not know that I can explain it any better than that.

Mr. GREEN: I am afraid one of the reasons for this step is that mentally the government is still living in the horse-and-buggy days instead of in a stream-lined age. I am afraid it is trying to force people back to the horse and buggy, and they will not go back. I think the minister will admit that the effect of this measure will be to increase the cost of an automobile to everyone in Canada who buys a car.

Mr. ILSLEY: That is true.

Mr. GREEN: The minister says this step is being taken in order that automobile manufacturers may not be making too many cars. Well, the government have power, under legislation passed since the war began, to tell the manufacturer that he must make a certain number of cars and trucks for war purposes. Why can they not say to the manufacturer that he must make so many trucks and so many cars for the forces, and then let him make whatever cars he can over and above that number for sale to civilians in Canada? The government also have power to control prices, so they cannot be increased. I suggest to the government, certainly in connection with the low priced cars, that if instead of taking this drastic step they would tell the Canadian people it is desirable that they should not buy new cars, perhaps that would have just as much effect. This measure simply means that if a man has to buy a car he has to pay that much more for it, and I doubt if it will stop the purchase of very many cars.

Mr. MacNICOL: May I ask the minister if the same tax applies to parts coming in from the other side?

Mr. ILSLEY: The resolution with which we are dealing now has no reference to the importation of cars.

Mr. NICHOLSON: I should like the minister to make some comment on the point raised by the hon. member for Vancouver South, who brought up some very important matters. I think the minister should say whether some direction could not be given manufacturers of automobiles as to whether they should discontinue the manufacture of cars, and to the public at large as to whether they should refrain entirely from purchasing new automobiles.

Mr. ILSLEY: I do not know whether that would be a better method; personally I do not think it would. I believe this is a far better method.

Mr. GREEN: It is not possible to distinguish in some way between people who must have automobiles and people who get them as a luxury? Can the government not devise some measure that would differentiate between these two groups of Canadians?

Mr. ILSLEY: I do not know how.

Mr. MacNICOL: What about parts purchased in Canada, then; is there an additional tax on those?

Mr. ILSLEY: No, not on repairs.

Mr. REID: May I ask the minister if notice has been taken of the fact that many dealers had cars on their hands before this tax came into effect? It will be remembered what was done when the 10 per cent increase was brought in. What check is going to be made in that connection?

Mr. ILSLEY: We are not doing what we did last spring, when we made the tax we imposed attach to cars on showroom floors. This time we are not doing that. I do not know whether the committee would be interested in why we pursued one rule last spring and why we are pursuing another now—

Mr. HANSON (York-Sunbury): You were wrong then and you are right now; is that it?

Mr. ILSLEY: No. It has not always been the practice of governments to follow the same method in connection with regular budgets as in connection with extraordinary measures between budgets.

Paragraph agreed to.

(b) by repealing paragraph 5 of the said schedule and substituting the following:

5. Cameras, phonographs, radio broadcast receiving sets and tubes therefor, 25 per cent.

Mr. DOUGLAS (Weyburn): Surely the reasons given by the minister with reference to automobiles would not apply to cameras and radio receiving sets. There would not be large quantities of steel used in the manufacture of these articles. Would the minister mind explaining the reason for this excise tax, especially on radios, which have become a practical necessity in Canadian homes, particularly farm homes where newspapers very often are not received?

Mr. ILSLEY: Generally speaking, durable consumer goods require skilled labour for their manufacture, and the kind of materials used in what is required for war purposes. If the hon. member asks me to name just what materials are in cameras, and the type of skilled help required, I cannot do so, because I have not the technical qualifications necessary to give that answer. Generally speaking, however, the same considerations apply to practically all durable consumer goods. I have stated publicly that in the opinion of this government that would be a good line for economy and for saving on the part of the Canadian people.

[Mr. Green.]

Mr. DOUGLAS (Weyburn): Is there actually a shortage of skilled labour for the production of these articles? Is there a shortage of the raw materials which go into their manufacture, or is the government using this as a revenue-producing tax, and advancing the other reason more or less by way of window-dressing?

Mr. ILSLEY: No; this is not done for the purpose of raising revenue. Perhaps I should have said that we are prohibiting the importation of these particular articles from high-currency countries, and that unless there is a tax imposed in Canada the probability is that a great advantage will be given to the domestic manufacturer. It is not desired by the government that the domestic industry should simply expand to take the place that was formerly filled by the imported goods. Our people then would be spending for these commodities just as much as they spent before. That is not the object, nor is it in accordance with the principle underlying the war conservation measure we are taking.

Mr. HANSELL: To what extent are these three articles manufactured in Canada? I do not know of any place where we manufacture cameras.

Mr. MacNICOL: Oh, yes, we have one of the largest plants in the empire.

Mr. HANSELL: Probably, but I had not heard of it. What is the advantage? It seems to me that if the purpose is that of saving labour, it will save United States labour, more than our own.

Mr. ILSLEY: The Canadian Kodak company is the company I had in mind. I have not detailed information before me, but I happen to know that that company does a large business in this line. I believe that is the one the hon. member for Davenport had in mind.

Mr. MacNICOL: Yes, the Canadian Kodak company at Mount Dennis.

Mr. HANSELL: How about radio companies?

Mr. ILSLEY: There are many of them.

Mr. DOUGLAS (Weyburn): I do not wish to labour the point, but I must say that in my opinion the principle underlying this excise tax is not sound. The purpose the minister has in mind may be a good one, but I am not sure that this provision will have the effect the minister desires. It seems to me the people who imported cars and radios were importing expensive articles. They will now buy them on the local market. The price will

be higher than it was before, but it will not be higher than the price they paid previously for the imported article. So it seems to me practically the same number of people will be buying these commodities. However, the people who will not be buying them and will be pushed out of the market are the poorer class. They will be pushed out by those people who used to buy abroad, but are now buying at home. It means that the poorer man who used to buy a car or a radio, by virtue of the increased excise tax will be pushed out of the market, and his place will be taken by the person who at one time bought the imported article. The result will be a curtailment of consumption of these commodities, and that curtailment will affect the people who least deserve to be penalized. It will not affect the people who used to buy the imported article, but who are now buying the one manufactured at home. To obtain a commendable objective we are following a method which will penalize one class of the people. It seems to me that is not a proper procedure.

Mr. ILSLEY: It penalizes everyone who buys.

Mr. DOUGLAS (Weyburn): Yes; but it penalizes most the person who cannot buy. There comes a certain margin beyond which people will not be able to buy those commodities. If this were not going to push certain people out of the market, there would be no use in having the excise tax. It is only because certain ones will no longer be able to buy that you will be able to conserve raw material and labour. The people who will be pushed out of the market are those in the low-income brackets. It seems to me some rationing system, or some other system of handling the matter would be more equitable. We are now going to prevent the people in the low-income brackets from buying radios and cameras.

Mr. ILSLEY: I would not want to undertake the rationing of cameras to the Canadian people, I can assure the hon. member.

Mr. HANSELL: I can appreciate the minister's reply with regard to cameras and radios manufactured in Canada. I wish to say, however, that some of us deplore very much the fact that prices of such articles produced in Canada are very much higher than they are in the United States. We may walk down the street and see a tiny radio bearing a price tag of $18 or $20. Immediately we say, "We can get those in the United States for about $7.50." There is something wrong there, somewhere, if we manufacture radios of that kind in Canada. People have to pay almost twice as much. I do not know very much about manufacturing, but when I see those price tags my immediate reaction is, "Well, of course there is a duty to pay." We do not mind paying a little duty. It is now revealed that radios are manufactured in Canada, and in view of that fact I say those who are in responsible positions should see that those radios are reduced in price.

Paragraph agreed to.

(c) by adding to the said schedule as paragraph 6 thereof the following:

6. (a) Electric or gas light fixtures and lamps and shades, globes and reflectors therefor..... 25 per cent

(b) The following electrical or gas appliances adapted to household use:

Stoves, ranges and heaters; water heaters; refrigerators .....25 per cent

(c) The following electrical appliances adapted to household use:

Food choppers and grinders; irons and ironers; washing machines; garbage disposal units; floor waxers and polishers..25 per cent

(d) The following electrical appliances:

Vacuum cleaners and attachments therefor; grills, waffle irons, hot plates, roasters, kettles, chafing dishes, food and drink mixers and juice extractors, coffee makers, toasters of all kinds, portable humidifiers, curling irons, tongs, hair dryers, permanent waving machines, razors and shavers.....25 per cent

Mr. HANSON (York-Sunbury): I would call the attention of the committee to paragraph (b), dealing with stoves, ranges and heaters. These are household necessities. They are absolutely necessary in certain communities where hydro development has taken place. I suggest that the extra tax of 25 per cent on an electric or gas stove is putting a high premium on the cost of living. I say that those articles are not at all in the same category as automobiles, cameras, phonographs or radio receiving sets. I should like to register my objection. Perhaps water heaters are not quite in the same category. The fact remains, however, that stoves, ranges and heaters are absolute household necessities, and they are necessities which are constantly wearing out. I suggest that the minister might very well eliminate those three articles from the schedule, and I ask him either to do so or to justify their retention. I say that these are not articles upon which people should be taxed unduly. The most humble people have to have them, and certainly they cannot be classed as luxuries.

In large cities like Toronto, Ottawa or Montreal an electric stove, in many instances, is the only kind that can be used. I have gone back to using the old-fashioned wood range because electricity in my community is too high. If electricity were

cheaper, I would never have abandoned the electric stove. These items are in an entirely different category from that of the preceding items upon which the minister has placed this excise tax of 25 per cent. Electric stoves, ranges and heaters are necessities and I object to a tax being placed upon absolute necessities.

Mr. SHAW: With the imposition of a 25 per cent tax on washing machines I am led to believe that the minister and his advisers consider that washing machines are luxuries. For a long time I tried to convince my wife of that fact, but I was unsuccessful. I should like to hear an argument advanced by the minister which would convince the washboard-aged mothers of this country that washing machines are luxuries. In view of his being unable to advance such an argument, I suggest to the minister that these washing machines be deleted from this list.

Mr. ILSLEY: A good argument might be made for the deletion of practically every one of these items, and for the removal of all other taxes.

Mr. HANSON (York-Sunbury): That is not treating the position fairly, and I suggest that the minister ought not to treat this matter with levity. Electric stoves are absolute necessities. In many instances they are the only kind of stove that can be used, and they should not be taxed. We are supposed to be taxing luxuries, not necessities. I do not think the minister did himself justice when he treated this matter with levity. Perhaps he has an argument against taking off this item; if so, I should like to hear it.

Mr. ILSLEY: This is not a luxury tax.

Mr. HANSON (York-Sunbury): Yes, it is a luxury tax.

Mr. ILSLEY: It is a tax to discourage the purchase of particular items which require certain materials, plant capacity and labour. I admit that they are not all luxuries.

Mr. HANSON (York-Sunbury): Some of them may be, but these are not.

Mr. ILSLEY: Most of them are what are used by well-to-do people. The hon. gentleman says that he was not obliged to continue to use an electric stove.

Mr. MacNICOL: I do not rise to find fault with the items in paragraph 6, but I wonder whether the minister has had his departmental officials estimate the number of employees who will be displaced by the reduced purchases of these articles. In the production of the articles in subparagraphs (a), (b), (c) and (d), at least 75 to 80 per cent of the labour is female. I am acquainted with these factories and I know that the assemblers of these articles are girls. Is it intended that they are to be displaced so that they can be absorbed into munition plants? If so, I have no objection.

Mr. ILSLEY: I cannot give any estimate, but the hon. gentleman must remember that retail store sales have been increasing quite rapidly on account of the large amount of money in circulation in the country. It is not a question of getting these sales much below their present level; it is more a question of preventing an undue expansion of demand for those articles which require materials, plant capacity and labour which could be devoted to other purposes.

Mr. CRUICKSHANK: If a tax of 25 per cent is to be placed on slot machines, what tax will be put on Florida strawberries?

Mr. HANSON (York-Sunbury): There is a poser.

Mr. CRUICKSHANK: I should like an answer.

Mr. ILSLEY: I am speaking from memory but I believe the tax on Florida strawberries is 10 per cent. Then there is an exchange disadvantage of another 10 per cent. In addition, there are fixed valuations which are applied when strawberries enter the country at a time when our own strawberries are in production.

Mr. HANSON (York-Sunbury): They have none to ship then.

Mr. CRUICKSHANK: If the hon. member will be quiet, I can take care of this.

Mr. ILSLEY: Then there is a war exchange tax of 10 per cent. Even if we leave out the fixed valuation, there is a tax of 30 per cent on strawberries.

Mr. CRUICKSHANK: I do not claim to be a moralist, but if there is a tax of only 25 per cent on United States pin games or United States skin games or any other kind of games, why should strawberries and other fruits and vegetables be allowed into this country without paying any tax? In probably the best speech that he ever made in this house the leader of the opposition referred to trash, but these skin games are being allowed to come in.

Mr. ILSLEY: I find the hon. gentleman's question rather difficult to answer. There is a tax of 25 per cent on slot machines when manufactured in this country, but they are prohibited entry from the United States.

Mr. GREEN: There is one item in this group which I suggest might very well be dropped from this legislation; that is, electric light globes. There may be some argument as to whether electric stoves are luxuries, but there cannot be any argument that an electric light globe is anything but a necessity for nearly every home in Canada.

Mr. ILSLEY: The bulbs are not taxed.

Mr. GREEN: What is meant by globes?

Mr. ILSLEY: It is the covering for the bulb; the bulb itself is not taxed.

Mr. GREEN: The minister is quite definite that the word "globe" does not cover what ordinarily is called a globe?

Mr. ILSLEY: That is correct.

Mr. HATFIELD: Food choppers and mixers are not luxuries. They are used in every fox ranch and hennery in the country and they should not be included in this list.

Mr. NICHOLSON: While these commodities are luxuries for 90 per cent of the people whom I represent, I still feel that if there is a shortage of the materials used to manufacture these commodities, the minister is not going about the restriction of consumption in the right way. The last time I spoke in the house I had in my hands one of our well known magazines, and in it were several double-page advertisements urging people to buy these commodities. Unless the minister is prepared to give definite direction to the Canadian people, legislation to increase the price is not going to serve the purpose he has in mind. I think a more definite lead should be given the Canadian people. It should be pointed out that they are consuming commodities which are urgently needed for our war effort.

Mr. ILSLEY: It is a question of method, and we have taken the least arbitrary method.

Mr. NICHOLSON: Has any direction been given to the manufacturers and the advertising agencies in Canada as to not carrying these attractive advertisements?

Mr. ILSLEY: No, I do not think so. It must be remembered that we are not under a dictatorship; we have a parliamentary democracy here, and there is still a considerable degree of freedom in the country. There is a huge number of people in business in Canada, and we cannot be interfering in their business all the time. We have to lay down some general principles and ask them voluntarily to help us carry on this war, and we impose taxes that will steer them towards that end.

Mr. HANSON (York-Sunbury): The minister will admit, however, that from time to time we are being more and more regimented. That was a favourite expression of his leader in days gone by. We are certainly being regimented in Canada, and this is just another example of it.

Mr. ILSLEY: Much more regimentation is necessary in war than in peace.

Mr. DOUGLAS (Weyburn): Granting that it is necessary to establish general principles, what we are trying to do now is to see that those principles will be applied by the steps proposed to be taken. The purpose of this taxation is not so much revenue producing as to conserve material and labour to produce more needed articles. If that be true and we are going to try to restrict the number of automobiles and radios sold, would we not be further ahead by prohibiting altogether the manufacture of certain articles that have no social value, so as to allow people to purchase more of other articles at a lower cost? I refer, for instance, to slot machines. What possible social value have they? Surely we are not going to allow people to continue to produce slot machines when, in order to get the material to make slot machines, we must do with less materials for cars and radios, which in the rural sections are an absolute necessity of life. We would be further ahead to stop altogether the manufacture of slot machines and other objectionable gambling machines and use the materials that go into their manufacture to produce radios, automobiles and goods of that kind. If the minister's object is to conserve labour and material, I suggest that instead of a 25 per cent excise tax on slot machines he entirely prohibit their manufacture for the duration of the war, so that the materials that go into their manufacture can be used for the production of articles that have some social value.

Mr. ILSLEY: The suggestion will be considered. There are prohibitions from time to time. I would point out that the description includes slot-vending machines which are not necessarily gambling machines. I do not think very many of them are made in Canada. They are practically all imported and now their importation will be prohibited.

Mr. DOUGLAS (Weyburn): Even the vending machines have not very much social value. People can still buy what they want at the local stores. If you want to buy peanuts you are not limited to buying them from a machine.

Mr. ILSLEY: I do not think the actual prohibition of the manufacture of the very

few that are made is very important. If it were of importance it could be considered. It would not be such a difficult step to take.

Mr. CRUICKSHANK: As I understand it, the government is trying to conserve technical and scientific labour. I also understand, having played these slot machine games—

Mr. HANSON (York-Sunbury): And lost.

Mr. CRUICKSHANK: —and lost, that they are of a most scientific nature. I cannot understand why we permit these machines to come into Canada and prohibit the importation of other articles. I would ask the minister, instead of merely imposing a 25 per cent excise tax, to consider prohibiting entirely the importation of slot machines or any other article that requires labour which could be utilized in winning the war.

Mr. CHURCH: In the matter of electrical fixtures is any distinction going to be made between fixtures bought by a privately-owned utility and those bought by a publicly-owned utility giving the consumer power and all other services at cost? The hydro-electric system in Ontario operates at cost; commercial and domestic consumers get current at actual cost. Hydro pays no dividends like the privately-owned utilities. In my opinion a distinction should be made between the two, especially since the working classes are large consumers of electric power supplied by the publicly-owned system. These candles may be used for street lighting, for commercial and domestic lighting, and the principle of the whole tariff has always been to give the benefit to the publicly-owned utility. which is supplying power at cost for the artisan, the farmer and the industrial worker. I do not think that principle should be changed. Is there any difference in the treatment accorded publicly- and privately-owned plants?

Mr. ILSLEY: From what I could gather, the hon. member is speaking of the taxing of electrical energy and power, which is not dealt with in this resolution. If I am wrong about that, I wish he would let me know.

Mr. CHURCH: A tax of 25 per cent is a pretty heavy charge on a system supplying power at cost.

Mr. GREEN: I think the hon. member for Broadview (Mr. Church) had in mind lights for city streets and matters of that kind.

Mr. ILSLEY: I am not clear just what his question referred to. It may have been that he was suggesting that if these articles are bought by publicly-owned utilities instead of private companies, the tax should not apply. I do not think we would be justified in making that distinction. In some places the two systems are in competition. I do not know the ground for making such a distinction.

Mr. GREEN: Would cities, for instance, have to pay the tax on the fixtures they get for street lighting?

Mr. ILSLEY: The standards are not in this list, but the shades are, and they are taxable. There would be no exemption for a city. The tax is on the manufacturer, and he adds the tax, no matter to whom he sells.

Mr. GLADSTONE: The effect of this 25 per cent tax may or may not be to reduce the use of the articles specified. The minister hopes that the increased prosperity of the country on account of war activities may keep the purchase of these articles up to normal.

Mr. ILSLEY: I did not say I hoped that, but I thought that would probably happen.

Mr. GLADSTONE: If there should be a heavy reduction in the use of these articles, individual industries and the working people engaged in those industries in a small community might be seriously affected. Certain war industries are being set up in the larger industrial centres, and the call goes out for skilled workmen. The call comes to these small communities where skilled workmen are released from industries that have been affected by this higher tax. I should like to know if the Department of Finance has already taken up or will take up with the Department of Munitions and Supply the necessity of safeguarding small communities which are entirely dependent upon an industry that may be almost put out of business through the imposition of this tax.

Mr. ILSLEY: If a situation arises which deserves attention, attention will be given to it. That is the best I can say.

Mr. HANSON (York-Sunbury): There is no question that the point which the hon. member for Wellington South (Mr. Gladstone) has made is an important one. If this has the effect which the minister anticipates, namely, the reduction of the sale of all these different articles—and I imagine that the total quantity sold in a given year is substantial—some unemployment will result. The sale will be cut down, consequently employment will be reduced, and there is not any compensation at all. That is what the hon. gentleman is referring to; and the minister takes that risk when he puts through this class of taxation and legislation.

Mr. MacNICOL: I should like to add just one further word in connection with a question I asked the minister earlier. I

have now had time to study the various items. Nearly everything mentioned in these schedules is manufactured in my riding. Many of the largest plants in Canada are in my constituency, manufacturing many of these articles: phonographs, broadcast receiving sets, electric and gaslight fixtures, household electrical or gas appliances such as water heaters and refrigerators, and such household electrical appliances as irons and ironers, washing machines, garbage disposal units, floor waxers and polishers; also grills, portable humidifiers, and so forth.

I have been making a mental calculation from memory of the number of young women employed in these various factories manufacturing these lines of material, and I think I can say that there are not less than five thousand so employed. If what the minister said at the beginning, namely, as I took it down, that one of the objects of these schedules is to discourage the buying of these items, then, supposing that buying is discouraged by only 25 per cent, this would mean that within a reasonable length of time 25 per cent of five thousand, or twelve hundred and fifty young women, will be thrown out of work. If they are reemployed in shell-making and fuse-making factories, some of which are located in my riding and are increasing in size, and in other branches of war industry, I have no objection. I have been wondering whether this has been taken into consideration—the numbers of female help that will be thrown out of work if my calculation that it will affect twelve hundred and fifty in my riding is approximately correct. I hope that such unemployment, if it occurs, would be only temporary, and that as war production plants increased, all such labour would be reemployed, but it will mean hardship for them for a time.

Mr. ILSLEY: I would say to the hon. member that the 25 per cent here mentioned is reckoned on the manufacturer's price, not on the retail price, and that makes the tax lighter than might be thought at first blush, because the manufacturer's price in many instances is very much lower than the retail price.

Mr. MacNICOL: It is 50 per cent, though, anyway.

Mr. ILSLEY: In the case put by my hon. friend, if without these taxes the demand for these particular goods would be increased by, let us say, 30 per cent, and the imposition of the taxes has the effect of discouraging purchases—

Mr. MacNICOL: I hope the minister is right.

Mr. ILSLEY: —to the extent of 25 per cent—

Mr. MacNICOL: Then, it would not make any difference.

Mr. ILSLEY: —then, employment has not been reduced at all.

Mr. MacNICOL: I hope the minister is right.

Mr. GREEN: Has the minister estimated what the increase in the retail price will be as a result of this 25 per cent tax? As I understand, the tax is levied on the manufacturer, and then of course there will be a mark up, perhaps as high as 50 or 100 per cent, of that manufacturer's price by the wholesaler and retailer.

Mr. ILSLEY: One would have to take it for every commodity; the discounts cover such a range; they are so much greater for one commodity than they are for others. But the hon. member will understand that the probability is that the increase in the retail price in many instances would not be 25 per cent. It should not be.

Mr. GREEN: Is it not apt to make the retail price 50 per cent higher?

Mr. ILSLEY: Oh, no. I would be very much astonished if anything of the kind occurred.

Mr. ESLING: I wonder whether the minister has given thought to the immediate effect on retail dealers and on salesmen employed by such dealers? I ask for this reason, that every general store in the country—every hardware store, every electrical store—now has a supply of these articles on hand. They employ salesmen to go practically from door to door. Because such articles are usually sold on the instalment plan, it is only by solicitation that people are induced to buy them; and it simply means that now they will not buy them and that thousands and thousands of retail salesmen, solicitors, are going to be out of jobs. The question is, will this curtailment compensate for the loss of labour in such ranks?

Mr. ILSLEY: I think that is just the subject we have been discussing.

Mr. HANSON (York-Sunbury): We take the risk of that; we are bound to take it.

Mr. SHAW: While we appreciate the difficulties confronting the minister and his advisers in devising forms of taxation, I am satisfied that, so far as taxes on electrical appliances are concerned, Canada should have been zoned into two broad zones.

Mr. HANSON (York-Sunbury): One to have it and one not to have it!

Mr. SHAW: I say that for this reason. Take Alberta as an example. We find that the people of Alberta pay an 8 per cent tax on the consumer cost of electricity; and also, the cost of electricity—that is the consumer's cost—is four or five times as high in Alberta as it is here in eastern Canada. Not only that, but most of these electrical appliances manufactured in Canada are made in the east, and with the ridiculous freight rate we are confronted with we find that we pay considerably more for these appliances than is paid by the people of Ontario and Quebec. So I suggest to the minister that we zone Canada into two broad zones, and that, so far as the tax on electrical appliances is concerned, it be made lower in so far as it applies to western Canada. I believe that the reasons are very evident. It may seem only a small matter, but if one takes into consideration all the appliances purchased and used in the west, plus the cost of all electricity used in western Canada, he will find that an unfair burden is being placed on the people in the western areas. I would ask the minister to give the matter consideration.

Paragraph agreed to.

(d) by adding to the said schedule as paragraph 7 thereof the following

7. Coin, disc or token operated slot machines and vending machines; coin, disc or token operated games or amusement devices of all kinds..... 25 per cent

Paragraph agreed to.

Resolution agreed to.

2. That any enactment founded on this resolution shall be deemed to have come into force on the second day of December, one thousand nine hundred and forty, and to have applied on all goods imported or taken out of warehouse for consumption on or after that day and to have applied to goods previously imported for which no entry for consumption was made before that day.

Mr. HANSON (York-Sunbury): Will the minister be good enough to tell us why he has changed to the principle enunciated here, as distinct from the one he enunciated and carried through in the previous budget, that is to say, taxation of cars on the showroom floors? If that was just then, it is just now; if this is just now, then he ought to give back to the dealers of this country some money which the government took from them. It was done once before.

Mr. ILSLEY: Well, I don't know.

Mr. HANSON (York-Sunbury): That is no excuse at all. I want to know what the principle is.

[Mr. Shaw.]

Mr. ILSLEY: I do not think it is a question of the dealers at all. Let us take what we are doing this time. The tax is not being placed on the cars on the showroom floor. Let us say we had placed it on the cars on the showroom floor, as we did the last time; does not the competition between the dealers prevent any dealer from getting an unjust benefit?

Mr. HANSON (York-Sunbury): I do not think so. That is the weakest argument I ever heard.

Mr. ILSLEY: I have not given the whole question the consideration it deserves, but does the hon. gentleman want me to argue that point out?

Mr. HANSON (York-Sunbury): What I want to know is, why the change? It was done before against the protest of a great many members of the house. It was done years ago and the refund was made—perhaps it was before the minister's time—and it cost the country a great deal of money. Will the minister admit that he is right now and was wrong then? That would suit me.

Mr. ILSLEY: No; I should not like to do that.

Mr. NICHOLSON: Do I understand that there will not be an increase in the price of stocks in retail stores? What procedure will be followed to guarantee that there will not be an increase in these stocks?

Mr. ILSLEY: We are just relying on competition.

Mr. NICHOLSON: Will a penalty be imposed on retail merchants who charge an increased price?

Mr. ILSLEY: None is provided for.

Mr. GREEN: I have had a telegram from the motor dealers in Vancouver who feel they will be unjustly treated if the tax is applied as set out in the resolution. I will read the telegram and the minister can let me know if these people are correct in their assumption. It reads:

Fully attended meeting this association to-day strongly protested discrimination far western dealers in applying new tax to automobiles in transit unpaid. Many cars have been en route for ten or more days. Dealers nearer factory have benefit of quicker delivery and cheaper freight rate. Urge that all cars in transit prior December 2 be exempt also many of these cars already sold.

Vancouver Motor Dealers' Association.

Would it not be possible to provide, where cars were in transit on December 2, that the tax should not apply? This seems to be their suggestion.

Mr. ILSLEY: The question comes up every time we touch cars. This is the third time in my recollection. The principle that has been laid down and so far always adhered to is that when the manufacturer retains the right of disposal of a car by attaching his draft to the bill of lading, the car is regarded as being in the manufacturer's possession and not delivered until the draft is paid and the bill of lading taken by the consignee. That is a reasonable rule and one which we have to adhere to, because there must in time come a point somewhere where the car passes from the manufacturer to the dealer. If the dealer pays for the car in advance, or if the manufacturer does not retain the *jus disponendi*, then the car has passed into the hands of the dealer and is in his possession, and the tax does not apply. But it would not do for us to depart from the principle that has been adhered to year after year whenever taxes affecting cars have been imposed.

Mr. GREEN: This is a very heavy tax and there is a grave injustice to dealers operating as far away as the Pacific coast. Surely something could be done to right this wrong. There is no doubt they are correct when they say that they are penalized in the way of freight rates, and in many other respects, for being such a long way from the manufacturing centres. The government might very well consider their request under these particular circumstances. They say that some of the cars have already been sold. Surely, under such conditions the government should allow some leeway.

Mr. COLDWELL: I was going to ask the meaning of the words "or taken out of warehouse for consumption."

Mr. ILSLEY: That applies to imported goods. Importation is one thing and being taken out of warehouse for consumption is another. Goods may be imported, and may go into warehouse in bond and remain there until the duty is paid. This applies to goods that are taken out of warehouse for consumption on or after December 2.

Mr. COLDWELL: I was wondering whether there might not be a loophole with regard to the matter raised by the hon. member for Vancouver South.

Mr. ILSLEY: He was talking about a different matter. He was discussing domestically produced cars.

Mr. REID: I wish to support what the hon. member for Vancouver South has said. There is a great deal of merit in it. The representations that have been made to me are to the effect that most cars heading for the Pacific coast have already been purchased and are not being brought in on consignment, and the dealers are now faced with the necessity of saying to those who have purchased the cars, "We are sorry; we quoted you one price but now you will have to pay $90 or $100 more". It is a serious matter so far as British Columbia is concerned.

Mr. CASSELMAN (Edmonton East): I have received a similar protest from one big dealer in the city of Edmonton and I wish to be clear on this question. If I understood the minister correctly, the specific example was a carload of cars arriving on Monday morning, already contracted for, having been sold to the purchaser by the retail dealer. The deal was closed and that dealer did not know until eight o'clock that night, our time out there, that this tax was in effect. Do I understand that the retail dealer in Edmonton is not responsible for the tax but that it falls on the manufacturer?

Mr. ILSLEY: Yes, that is correct. So far as we are concerned we look to the manufacturer if the draft is attached to the bill of lading, if the manufacturer retains control of the cars until they are taken delivery of in Edmonton.

Mr. CASSELMAN (Edmonton East): In that event there is this difficulty that the retail dealers find themselves in. The manufacturer says, "We did not know anything about it, and you, the dealer, will have to bear the tax or get it out of your purchaser". That is an unfortunate situation and I add my protest to those expressed by two other speakers. The matter should be reconsidered.

Mr. NICHOLSON: With reference to the point I raised a moment ago regarding increased prices, would the minister consider imposing a penalty for any increase in retail prices of stocks already being carried? An increase of 25 per cent will give the retailers a large margin.

Mr. ILSLEY: I do not like to say that I will not consider anything, but I would point this out to the hon. member. The retailers are in competition. There is no combine among retailers, is there? Not among the retailers of Canada at any rate. They are in competition with one another in the sale of these articles and I should think that such competition would be an effective deterrent to profiteering. I hardly think, however, the government would be justified in imposing penalties or taking further steps. Some day these taxes are coming off, and in that event these retailers would have a claim against the government if we

took a step of that kind now. I think it is just a situation where we shall have to rely on competition as far as retailers are concerned.

The CHAIRMAN: Shall section 2 carry?

Some hon. MEMBERS: Eleven o'clock.

Mr. LAPOINTE (Quebec East): I would ask my hon. friends if they would kindly not look at the clock, or at least refrain from calling the attention of the chairman to the hour. We would like to make some little progress, if possible. The senate, of course, will have to go over this legislation when it passes this house, and they have been waiting for these bills for two or three days. Of course I am in the hands of the committee, but if we could sit a little later to-night we might get the measures through a little sooner.

Some hon. MEMBERS: Go on.

Resolution agreed to.

Resolutions reported, read the second time and concurred in.

WAR EXCHANGE CONSERVATION ACT, 1940

Resolved, that it is expedient to introduce a measure to be called the War Exchange Conservation Act, 1940, and to provide—

1. That the importation into Canada of any goods enumerated and described in schedule one is prohibited except in such cases as the Minister of National Revenue in his discretion deems desirable and under and in accordance with the terms of a permit granted by him: Provided however that this prohibition shall not apply to—

(a) any goods imported from, and being of the growth, produce or manufacture of, any country within the sterling area or Newfoundland, except, at the discretion of the Minister of National Revenue, goods composed wholly or in part of silk;

(b) any goods which on or before the second day of December, 1940, were in transit to Canada.

Mr. HANSON (York-Sunbury): I should like to make a few observations with respect to this matter. I made reference to it yesterday. Is there not some other method by which these exceptions could be handled? This measure provides that with regard to goods intended to be prohibited under this measure there may be exceptions in the discretion of the Minister of National Revenue, under the terms of a permit to be granted by him. This seems to me to be the wrong way to handle this matter. What would be the considerations that would actuate the minister in exercising his discretion and issuing a permit? What standards, what principles would he rely upon? Would every case be judged upon its own merits, or is there to be set up some standard which would guide the minister? I do not for a moment suggest that the present minister would abuse the exercise of his discretion, but this discretion is capable of great abuse, and it is bad legislation because of that fact. Certainly I object to the principle and spirit of this type of legislation. I dare say we have gone a long way beyond this in the delegation of power, but as far as I am concerned I am going to register an objection to the principle involved. I think we ought to deal with the matter in another way. Either we are going to keep out these goods, or we are not.

This prohibition does not apply to goods in transit, of course, so no question arises there. If we are going to keep out imports for the purpose the minister intends, that of conserving our foreign exchange, there should not be any loophole which would enable any friend of the government to come and say, "I must have this thing here." The minister might accede to the demand, while some man not so important, who would not be able to pull as many strings, may I say, would be denied the same right. That sort of thing does happen under party government; make no mistake about it. This is not exactly a war measure. It is a measure designed to aid the war effort, but it leaves too much power in the hands of the minister—any minister—and I object to the delegation of power to any minister which will give him authority to say that John Jones may have this article brought in while Tom Brown may not have it. That is wrong, and I believe the matter can be handled in some other way.

If the minister is really desirous of keeping out certain articles let him go the whole length. I assume that this will not apply to goods ordered legitimately and now in process of transit or even of manufacture. I would help out a man who had entered into a contract even though the goods were not actually in transit. But to say that the minister shall be entitled, on representations made to him, to give a permit to somebody to bring in something that it is intended by parliament shall be kept out for the duration of the war, while somebody else cannot obtain a permit, I submit is all wrong. If I argued the thing for an hour I could not put it any more concretely than that.

Mr. ILSLEY: I point out that with regard to part I the announced intention of the government is to prohibit all those items to everybody.

Mr. HANSON (York-Sunbury): I understand that, but still—

Mr. ILSLEY: That is part I, and that is the greater part.

Mr. HANSON (York-Sunbury): But still there is the exception.

Mr. ILSLEY: I know, but the exception is designed to enable the minister to deal with part II, although it does not say so.

Mr. HANSON (York-Sunbury): If that is the intention, then I say the language is very unhappy. Nobody would give it that interpretation.

Mr. ILSLEY: Why not?

Mr. HANSON (York-Sunbury): Later on it deals with part II, but under part I and schedule 1 the minister may, notwithstanding the prohibition of importation, make an exception and say that certain goods may come in. There is no doubt about the interpretation; the minister cannot put any other interpretation upon it. I am too old a bird to be caught by any line of reasoning like that.

Mr. ILSLEY: I want to repeat that it is the intention to deny licences to all importers of all goods in part I. I am free to confess, and I want to say this so that everyone will remember that I said it, that from time to time we may have to make changes by order in council. There is no use in our deluding ourselves about the possibility of that necessity arising. As a matter of fact, this whole thing could have been done by order in council, but we placed it before parliament because it is a matter of great importance and something upon which parliament should pass. But in time of war abundant powers are vested in the executive to do almost anything by order in council, and the government has to decide what steps must be taken from day to day. Parliament is not in session all the time, and it is necessary to do these things.

Certainly it is not the intention of the government to make any changes in principle, or any sweeping changes or anything like that, by order in council, but that may have to be done. I debated with myself whether I should put in this measure a provision giving power to the governor in council to amend this list, to add to or take away from it. I did not think I would do that, because already the government has that power under the War Measures Act, and I think perhaps they also have power in certain cases under the Consolidated Revenue and Audit Act. I thought I ought to tell the committee and the house that in working this matter out it may be necessary as time goes on to make changes by order in council. I say that because when we meet again I do not want anybody to say, "Oh, well, after parliament got away there was an order in council put through altering one or two of these items." That might have to be done, but of course that is a different matter from the point raised by the hon. gentleman. He is talking about the discretion vested in the Minister of National Revenue. The intention as to the exercise of that discretion is that the Minister of National Revenue shall deny to all importers licences for the import of all the goods set out in schedule 1.

Mr. HANSON (York-Sunbury): That is the general principle.

Mr. ILSLEY: Yes—except those in transit. I understand the Minister of National Revenue has decided to give licences to importers who have placed orders for goods prior to December 2, such orders having been placed in good faith, and accepted. I believe that is being done, and I presume is being done in all these cases. But that is a matter for the Minister of National Revenue. There are a number of cases where not only have importers placed orders which have been accepted, but they have paid for the goods and have purchased letters of credit for them. That is the reason why there must be some discretion in the Minister of National Revenue.

Mr. HANSON (York-Sunbury): Yes, but the government can take care of those cases in the legislation, just as it can in respect of goods in transit.

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): And that is the way it ought to be done.

Mr. ILSLEY: Yes, if we can think of everything.

Mr. HANSON (York-Sunbury): I suggested that idea to the minister. It does not apply to goods in transit, and I suggested it should not apply to goods under contract which were not in transit. If that is the intention in this instance, then say so in the statute. The minister should say so in the resolution, just as he has with respect to goods in transit.

My point goes far beyond that. It comes to this, that there should not be vested in the minister power to issue a permit to an importer in respect of any one of these classes of goods which it is intended, in the general principle, shall be kept out. If we are proceeding on a proper principle, then six months hence no power should be given to bring goods in.

Then, with respect to the cases to which the minister has referred, I would say that that would simply be a matter of justice, and ought to be in the statutes. It could be easily placed there. In fact, I do not know why the draftsman did not put those in when he was putting in goods in transit. He could, by

appropriate and apt expressions, provide for goods under contract, such as those to which the minister has referred, and to which I refer. That is the way it ought to be.

I object to the principle involved in this part of the resolution. I do not wish, however, to take time to argue it, because I am trying to get through. If I argued it all night I could not make it more emphatic than I have.

Mr. DIEFENBAKER: I believe this is the first time that the principle of giving a minister of the crown such discretion has ever been asked. It amounts to an abnegation of the right of parliament, as I see it. Already the governor in council has very wide powers under the War Measures Act. The minister says that the governor in council has the power to do that which is now being delegated to the minister. If this particular section is to cover only part I of schedule 1, I submit it should be so stated. The minister has said it is his intention and that of the government that the interpretation to be placed on this resolution is to make it applicable only to part I.

The minister will realize that the intention of the government will not be taken into consideration in the interpretation of the statute. I would suggest that at least in the first place part I be added to schedule 1, if the government insists upon passing the resolution as it now stands.

Second, I take objection to the wording. It says:

> That the importation into Canada of any goods enumerated and described in schedule one is prohibited except in such cases as the Minister of National Revenue in his discretion deems desirable—

And so on. I do not understand the use of the words "in such cases." Does that mean that the minister may say to one individual, "You may import certain goods," and to another individual, "You shall remain subject to the prohibitions in schedule 1." I do not think that can be the meaning of it.

If the meaning is that it refers to goods, and not to individuals, then I suggest that the words "in such cases" should be altered to read "for such goods." Generally speaking, I submit that this is one of the most flagrant delegations of power on the part of parliament to an individual minister that has been asked by this government. I suggest to the Minister of Finance that having the powers already, under the War Measures Act, to do that which he now wishes conferred upon the Minister of National Revenue, is sufficient. This is too great a delegation of power.

Mr. ILSLEY: The changing of the phrase "in such cases" to "for such goods" is perfectly all right, so far as part I is concerned, if the committee wishes so to do. It will be understood, of course, that no matter what the committee does or no matter how it is phrased, powers exist under the War Measures Act to go beyond or to repeal and go all round the statute. It is all very well for us to take great pains with the drafting, but those powers exist. They are not taken away.

So it comes to a question of trusting the governor in council but not trusting the minister. There may be a distinction there, but I do not think it is a valid one. I was going to say that the intention, so far as part I is concerned, is that all individuals will be treated exactly alike. That is, no individual in any particular period will be given a permit to import a certain class or kind of goods, and at the same time another individual be denied that permit. That will never be done under part I.

But under part II it may be necessary for that very thing to be done, depending upon the stock of goods, or the requirements of the person applying for the permit. Perhaps this could be torn to pieces in such a way as to tie it down a little more definitely as between these two parts of the act. Then, if it did not work in any particular we would have to alter it by order in council, under the War Measures Act.

Mr. HANSON (York-Sunbury): Does the draft bill follow the resolution?

Mr. ILSLEY: Yes, I believe so.

Mr. GREEN: I can find no reference in the resolution to part II of schedule 1. Why is there not some reference? Why are there parts I and II; what is the difference?

Mr. ILSLEY: I explained exactly what we intended to do, and the different treatment we proposed to extend to goods under part II as compared with those under part I. Those under part I are prohibited goods. Those under part II are goods which are not prohibited, but concerning which permits are to be diminished, as time goes on.

Mr. GREEN: Tapered off.

Mr. ILSLEY: Yes, there is to be a gradual shutting off.

Mr. GREEN: Why is that not put in the resolution? Why is there no reference to part II in the resolution?

Mr. ILSLEY: I was just saying that if the committee wishes to have such reference, there would be no objection. It would really have no further control.

Mr. GREEN: Will it be in the bill?

Mr. ILSLEY: I do not think so.

Mr. HANSON (York-Sunbury): There ought to be some redrafting, then. The minister suggests that even though the matter is dealt with in a stricter fashion, and the language is tied right down along the lines suggested, it could be overruled under the War Measures Act. Remember, this is a later statute, and if it is specific there might be a very nice conflict between those two statutes.

Mr. ILSLEY: Oh, no.

Mr. HANSON (York-Sunbury): Oh, yes. Have the law officers of the crown given consideration to that situation? The War Measures Act is a general law. This is a specific law. Parliament is legislating on a specific matter, and if this law fastens the interpretation specifically, then I suggest to the minister that the courts, in a proper case, would look into the matter very carefully. The specific legislation would override the general legislation which was passed subsequently.

Mr. ILSLEY: That would mean that all acts passed since the War Measures Act was passed in 1914 would be limited in their application by that act, and the hands of the government tied accordingly.

Mr. HANSON (York-Sunbury): It raises a very nice legal point, but I am not going to give an expert opinion.

Mr. DIEFENBAKER: What impelled the government to ask for these powers when the governor in council had them already under the War Measures Act? They are being extended and granted to a minister of the crown.

Mr. ILSLEY: It was done out of respect for parliament. It was well understood by the government that this could be done under the War Measures Act. When the debate on the address ended two or three days ago the house could have been adjourned and then, any time after, we had the power to act under the War Measures Act, because if ever there was a war measure, this is one. We did not think, however, that would be acting in the true spirit of the constitution of this country. We thought that when parliament was here we ought to lay the matter before parliament and state what we intended to do. We must have wide and inflexible powers. It was thought we should tell parliament that we intended to take the powers and then work it out. As I say, parliament can wrestle over these clauses and tie the minister down a little tighter or make it clear that it is only in respect of one thing that he has certain powers and so on, but I do not think that is the thing to do as a practical matter. If we run into a situation which requires correction we may have to refer to the War Measures Act, and certainly we will refer to it in order to correct such a situation. If anyone finds that the government is being unjust, that it is treating a supporter differently from the manner in which it is treating someone who is not a supporter, then he will just have to bring the case to the attention of the government. That would be a disgraceful thing, and it will not happen.

Mr. HANSON (York-Sunbury): I congratulate the minister upon having realized that it is time to get back to the authority and supremacy of parliament. We have gone too far in the other direction in Canada. I have been harping on this off and on for six months, and I am glad that we have made the government do this.

Mr. POULIOT: Do not make my speeches.

Mr. GREEN: Can the minister give the committee a rough idea of the total importations in the last fiscal year and how they will be affected by the two parts of schedule I, and also let us know from which different countries these importations came?

Mr. ILSLEY: The volume of imports from non-empire countries of goods covered by schedule 1, including the estimates in connection with items where records are not available, was $52,840,000 for part I, which can be termed the prohibited goods, and $71,150,000 for part II, the goods subject to licence. The annual loss in revenue resulting from schedule 1, part I, is estimated at $12,000,000 for customs duties and $5,000,000 for war exchange tax. No estimate is possible for the revenue loss which will result from part II of schedule 1. Imports from the United Kingdom of schedule 2 goods were valued at $13,343,000, on which a duty of $1,950,000 was collected in the calendar year 1939.

Mr. GREEN: How much will be collected under the changed schedules?

Mr. ILSLEY: Quite a number of the items are free from the United Kingdom.

Mr. GREEN: Can the minister give us the imports by countries, from the United States and Japan, for instance?

Mr. ILSLEY: I am sorry, but I have not that information.

Mr. GREEN: Could the minister have that for us to-morrow when we are considering the bill?

Mr. ILSLEY: If the hon. gentleman really wants it, although I cannot see the purpose of it myself.

Mr. GREEN: We should like to know the value of imports from the United States, Japan and other non-empire countries.

Mr. ILSLEY: I will get it. The prohibition applies to a whole lot of them.

Mr. GREEN: We want to see what is being shut out.

Mr. DOUGLAS (Weyburn): Is the title War Exchange Conservation Act a happy thought? Would not Foreign Exchange Conservation Act be better? I am not just clear as to what is meant by war exchange.

Mr. ILSLEY: It is a war act.

Mr. DOUGLAS (Weyburn): It could be stated in the bill that it would terminate with the cessation of hostilities. In his speech the other day the minister referred to the possibility which we all must see of this prohibition of the entry of certain articles being likely to cause an increase in the price of similar articles produced in Canada. This legislation virtually amounts to protection for certain commodities and there is an immediate advantage to the manufacturers of those articles. I am sure that in drawing up this legislation the government must have had some specific steps in mind.

Mr. HANSON (York-Sunbury): That is covered by resolution 4.

Mr. ILSLEY: We take full powers in a later resolution to restrain them.

Mr. DOUGLAS (Weyburn): Would the minister prefer to leave the discussion of this until we come to resolution 4?

Mr. ILSLEY: I think it would be better.

Resolution agreed to.

2. That notwithstanding anything contained in the preceding resolution, the Minister of National Revenue may, in his discretion, exempt any goods from the operation of the preceding resolution for such periods of time as he may deem desirable and notice of any such exemption shall be published in the *Canada Gazette* and the exemption shall take effect on and after the date of such publication or any later date fixed in such notice.

Resolution agreed to.

3. That for the purposes of these resolutions "sterling area" means the territories under the sovereignty, protection, suzerainty or mandate of His Majesty (except Canada, Newfoundland and Hong Kong) and such other territories whether or not under the sovereignty, protection, suzerainty and mandate of His Majesty as may be designated by the governor in council.

[Mr. Green.]

Mr. HANSON (York-Sunbury): We will register the same objection and let it go at that.

Mr. MacNICOL: What is the significance of including Hong Kong with the excepted countries?

Mr. ILSLEY: The currency of Hong Kong is not tied to sterling.

Resolution agreed to.

4. (1) That in the event of producers of goods taking advantage of the prohibition of imports to increase the prices of such goods to the consumer or to maintain such prices at levels deemed by the governor in council to be higher than should prevail, having regard to changes in the cost of production of such goods, the governor in council may, in addition to permitting entry of such goods, reduce or remove the duties of customs imposed upon such goods.

(2) That in the event of any such producer taking advantage of the prohibition of imports as aforesaid, the governor in council may impose upon all the products of such producer, or any of them, an excise tax equivalent to the amount of customs duty which would be paid by such goods if the same were imported into Canada under the provisions of the general tariff and the same shall be collectible as a tax, and the provisions of the Special War Revenue Act as to the collection of taxes shall be applicable thereto.

Mr. ILSLEY: I have an amendment to move to this resolution, as follows:

That the resolution of December 2, 1940, introducing a measure to be called the War Exchange Conservation Act, 1940, be amended by striking out resolution No. 4 and substituting therefor the following:

"4. (1) That in the event of any person taking advantage of the prohibition of imports to increase the prices of goods to the consumer or to maintain the prices of such goods at levels deemed by the governor in council to be higher than should prevail, having regard to changes in the cost of production of such goods, the governor in council may, in addition to permitting entry of such goods, reduce or remove the duties of customs imposed upon such goods.

(2) That in the event of any person taking advantage of the prohibition of imports as aforesaid, the governor in council may, for such period of time as he may determine, impose, levy and collect upon all the products of such person or any of them, an excise tax of 25 per cent of the sale price thereof payable by such person at the time of delivery of such goods to the purchaser thereof and the provisions of the Special War Revenue Act as to the collection of taxes imposed by Part XIII of the said act shall be applicable thereto."

Mr. HANSON (York-Sunbury): The change is from "producers" to "any person". The resolution is being made all-inclusive, whereas before it was just confined to producers.

Mr. ILSLEY: That is correct. The reason for this amendment is that the original resolution was taken verbatim from section 17 of

the customs tariff. The amended wording should accomplish the purpose of this resolution rather more effectively.

The amendment will enable the government to proceed against any person, whereas section 17 applied only to producers of goods. It also provides for an excise tax of 25 per cent on the sale price of the goods, whereas under section 17 the tax is equivalent to the amount of customs duty which would be paid by such goods if imported into Canada under the general tariff.

These prohibitions relate to goods some of which are free. We just made a mistake there when we provided for imposing customs duty as a penalty.

Mr. HANSON (York-Sunbury): This is the first time I remember hearing the minister admit making a mistake..

Mr. LAPOINTE (Quebec East): I move the amendment, Mr. Chairman, that has been read by the Minister of Finance.

Mr. COLDWELL: Before that is put, I raise again the point I raised yesterday. Instead of this procedure being followed, I think it would be better if the house enacted that the prices of goods shall remain at the prices in existence say on the 2nd day of December, and in the event of producers desiring an increase in prices on account of changed conditions they shall make application to the war-time prices and trade board, which will consider the application.

I do not think the method suggested by the government is sufficiently effective. I believe that we should stabilize prices as of, say the 2nd day of December, and then in the event of changed conditions an application may be made to the proper board for consideration of a proposed price increase. I think that suggestion should be considered. I believe it would be much more satisfactory to the public who already feel that some price increases have been permitted. It is difficult for the general public to appeal to a board, whereas a producer who felt he was penalized by changed conditions could easily make application and get consideration of his case. I want to place that point of view before the minister.

Mr. HANSON (York-Sunbury): I would suggest to the minister that my hon. friend, I think, has not thought his suggestion clear through. If prices were pegged as of December 2, it might work a great hardship if costs of production were increased by abnormal conditions.

Mr. COLDWELL: The producer could apply to the board.

Mr. HANSON (York-Sunbury): That is regimentation. A price increase might be justified by increased costs of production or by other factors. I think my hon. friend's suggestion would not be workable. I prefer the penalty.

Mr. ILSLEY: On some occasion, I cannot remember when, because it was not in my department, I had a discussion with the war-time prices and trade board as to the two methods they might follow. One was to make a stand-still order on prices and to let everyone apply for an increase in prices. The objection to that was that the board would be swamped with applications. That plan would not be administratively possible. There are a great many prices in Canada and a great many people charging prices.

Mr. COLDWELL: They are doing that in Great Britain.

Mr. ILSLEY: I do not know about that.

Mr. COLDWELL: That, I understand, is their method.

Mr. HANSON (York-Sunbury): There is a question of principle involved.

Mr. ILSLEY: The civil service required to attend to that effectively would be very extensive because the ramifications are tremendous. The board could not with any sense of responsibility be issuing permissions to increase prices unless they went into the matter carefully because every increase in price that persons could persuade the board to permit them to make would be justified by the authority of the board. The board would be cited as the reason why the price was increased. It was therefore considered much more desirable for the board to require everybody to report to them when they intended to increase prices or when they did increase prices, and for the board to get a reasonably large staff which, if they saw any price increase which prima facie appeared to be unwarranted or unreasonable, would investigate and require the person increasing the price to justify it. That was considered a much more practical way, and I think it is. I do not think there has been much complaint about it either. I believe it has worked well.

Mr. DOUGLAS (Weyburn): There is a danger on the other hand that the public may get swamped. There are two provisions in resolution 4. First, if it is discovered that a man is taking advantage of this measure of protection, the prohibition will be removed. But if it is removed, the whole purpose of the legislation, which is to conserve exchange,

will be defeated. Therefore that rules the first out, because it would defeat the purpose of the measure.

Mr. ILSLEY: Only for that item.

Mr. DOUGLAS (Weyburn): Yes, but what if the same thing happens in connection with other items? The government's measure will no longer be operative.

The second provision is that where a person has been found to be taking advantage of the prohibition of imports, the 25 per cent excise tax will be applied. But would a 25 per cent excise tax be sufficient to offset the advantage of an industry that is now given a complete monopoly by virtue of the fact that certain lines of goods from non-empire countries are completely shut out? The 25 per cent tax may not be a sufficient penalty to offset the protection they are going to enjoy. I do not think in either case the minister is giving us sufficient assurance that prices will be kept at a moderate figure and that advantage will not be taken of this virtual monopoly which is now going to be given to certain industries in Canada.

May I point out further that we do not know what machinery will be set up to decide whether or not an industry or a particular firm is taking advantage of the situation. Who will decide, for example, and inform the governor in council that a certain producer is taking advantage of the prohibition of imports? Will it be the Department of National Revenue or the war-time prices and trade board?

Mr. ILSLEY: The government holds itself free to use any agency it wishes.

Mr. DOUGLAS (Weyburn): Or none at all.

Mr. ILSLEY: My hon. friend does not give other Canadians as much credit as he should. That is his trouble. I have listened to him a great many times. He feels that people who have a chance to make a lot of money are going to do it. He goes on that principle. But there are such things as public opinion and patriotism in this country, and such things as a sense of decency and a sense of responsibility on the part of the government of the country, and all these things work together at a time like this.

I have seen people under the pressure of public opinion here and there in connection with government activities, and they want to do the right thing. They want their fellow Canadians to feel that they are doing the right thing. They want to do it in their own interests, in the interests of their reputation, and in the interests of the way they and their families will be treated. There is not just this one narrow idea of gouging the last cent out of people all the time. All these factors I have mentioned are going to work together.

In the national revenue department I found that 95 per cent of the sales taxpayers—the sales tax was the largest—were honest, and there was only about 5 per cent with whom we had any trouble. Most of these taxpayers were honest and decent. I do not anticipate that there is going to be any mad rush to put prices up to the limit behind the shelter of this prohibition. If there is, we shall hear about it; do not make any mistake. When a person sells goods, somebody buys the goods; it is well known when people begin profiteering, and we can get after them and in various ways take action to see that they bring their prices down. We have not, I admit, set up any machinery here, but we have left ourselves free to use any agency or all agencies. If there is any profiteering out of this, we shall hear of it and we shall do something about it.

Mr. HANSON (York-Sunbury): The minister has certainly strengthened the resolution. Does he say that these provisions are adequate to maintain a decent standard of prices without profiteering? If the minister believes that, and the government intends to carry it on that way, I am quite satisfied. They must use any agency they can use; I agree with that statement.

Mr. KINLEY: Really we are only prohibiting the import of these goods from non-sterling countries?

Mr. ILSLEY: Yes.

Mr. KINLEY: Practically everything which is on the list can be imported from one or other of the empire countries?

Mr. ILSLEY: A great many of them.

Mr. KINLEY: There is that competition. How can we fix the price when we do not know what the cost will be from empire countries? It is not a complete prohibition. It is only a prohibition from certain countries; that is all.

Mr. ILSLEY: That is true.

Mr. DOUGLAS (Weyburn): May I point out to the minister that he is not altogether consistent. I have as much faith, I think, as he has in human nature and in my fellow Canadians. But the minister himself says that it is the five per cent who have always spoiled it for the other ninety-five per cent, and when, just a few minutes ago, the hon. member for Rosetown-Biggar suggested to the minister that we should fix the prices as from a certain date and the onus would be on those who felt justified to make an

application, the minister said that there would be so many applications that we would be swamped, that it would take a tremendous amount of administrative machinery to handle all the innumerable cases of persons who would be applying to have prices increased.

Mr. ILSLEY: Well, legitimately in most cases.

Mr. DOUGLAS (Weyburn): That is the very point. If there is that large number of people in Canada who will think that the situation warrants an increase in price, there is all the more reason why some machinery should be set up to deal with the matter and see whether or not that increase is justified.

Mr. ILSLEY: My hon. friend is certainly not talking with his customary clearness of mind, is he? The fact that a great many applicants would make applications does not mean that they would be taking an unjust advantage of the act at all. I would anticipate thousands and perhaps tens of thousands of applications on legitimate grounds. They would all have to be checked, and there would be an extensive civil service to check these legitimate applications. Is there any inconsistency in what I said? I cannot see it.

Mr. DOUGLAS (Weyburn): Yes. The minister says that there is a great deal of decency in Canada and that there are a great many people who are not going to gouge out the last dollar. That is true. But the minister also knows that there was war profiteering in days gone by. The story of the last war is filled with it. The minister knows that the cost of living has risen. The minister belongs to a party which for half a century in this country has always said that the moment you give to the country a large measure of protection, you give to a small class an opportunity to exploit the public, and that is why they have talked about freedom of trade and have been opposed to high protection. But this is high protection of the very highest sort, because it is a complete embargo on certain goods. And we ask the minister to give us some assurance that, when this is applied, the public interest will be protected and the consumer will not be exploited.

Mr. ILSLEY: Yes. I will give that.

Mr. BLACKMORE: Before the resolution as amended carries, I should like to say a word in commendation of the minister's department, on the ground that I believe they have exercised their powers wisely, with restraint and effectiveness. There have been rises in prices in Canada, but no such extravagant prices as were registered in the last war. I would say that on the whole the increases have been justified from the producers' point of view, although they have been painful to the consumers, and before very long adjustments will have to be made on behalf of the consumers.

Mr. ILSLEY: It is the Minister of Labour who should be congratulated.

Mr. BLACKMORE: Well, I don't know. These boards are becoming so bewildering that it is impossible for a person to keep track of them without a guide; but let the credit go to whomsoever it should go. The work has been well done.

But there is one matter which I wish to draw to the minister's attention. The other day, when we were discussing the application of the principles of social credit, we came to the question of price.

The committee will remember how almost hysterical the minister became when he envisaged all the spies in every shop and the tremendous regimentation and all that. He is now confronted with the same kind of problem, and he says, "Well, wherever there is a salesman there is going to be a buyer, and we will hear about it." I would just suggest to the minister—

Mr. ILSLEY: We were talking about rationing—price-fixing and rationing.

Mr. BLACKMORE: I would just suggest to the minister that the next time he meditates such references to the principles of social credit and the just price as he made the other day—which I have not had an opportunity to answer, but which I am going to answer some of these days—he should just go back and read this fine statement he made in reply to the hon. member for Rosetown-Biggar. He will then discover that this matter of controlling price is not an insuperable problem, that when the problem is attacked with scientific skill and determination, and on certain scientific principles, it can be controlled, and without a whole lot of spies too. I thought I would just make that comment because I believe the minister needs it.

Amendment agreed to.

Resolution, as amended, agreed to.

5. (1) That goods enumerated and described in schedule two, the growth, produce or manufacture of the United Kingdom, when imported into Canada in a manner and under conditions which entitle such goods to entry under the British preferential tariff of Canada, shall be exempt from the rates of duty set out in

schedule A to the Customs Tariff and shall, in lieu thereof, be subject to the rates of duty set out in schedule two.

(2) That any enactment founded on this resolution shall apply to all goods enumerated and described in schedule two imported or taken out of warehouse for consumption on or after the second day of December, 1940, and to goods previously imported for which no entry for consumption was made before the said date.

Resolution agreed to.

6. That the governor in council in order to increase Canada's supply of foreign exchange may, on the recommendation of the Minister of Finance, enter into agreements with individuals, partnerships or corporations to grant assistance by way of special tax credits and/or special allowances for depreciation or depletion under the Income War Tax Act and The Excess Profits Tax Act, if, in the opinion of the governor in council, such assistance is necessary in order that an expansion of the exports of any individual, partnership or corporation receiving such assistance may take place.

Mr. REID: Regarding resolution 6, I have one suggestion to make to the minister which I believe has a double merit. I believe that if it were carried out it would create more Canadian credit in the United States and would also provide a certain amount of further employment in this country. The facts we received a few days ago were to the effect that some $200,000,000 of Canadian gold had been produced in Canada, came through the mint, was sent to the United States, sold in that country and held in deposit to our credit. In view of the monetary policy of the United States in that, in 1934, they agreed to accept silver as well as gold, I suggest to the minister that he give some consideration to using our silver as well as our gold, and have the silver go through the mint and be sold to the United States and held there also as Canadian credit.

I am not going to-night into the question of monetary reform, but so long as there are individuals and banks holding to the old idea about gold and silver, we should take full advantage of that and start again our silver mines. We produced last year in Canada well over 20,000,000 ounces of silver. It was sold by private individuals, and a great deal of the value of the silver remains in the United States to the credit of United States interests. Last year the United States purchased something like 341,000,000 ounces of silver, 281,000,000 ounces of which came from foreign countries. Altogether, the United States have acquired about two and a half billion ounces of silver; and might I draw this to the attention of hon. members, that the world's supply of gold is estimated at approximately $28,000,000,000, of which the United States hold $23,000,000,000. I mention that merely in passing, in an endeavour to point out that there must be some readjustment before very long, because the United States will soon own all the world's supply of gold, and perhaps the greater proportion of its silver.

Only the other day it was pointed out that Australia had sold 8,000 tons of flour to China, receiving silver in payment, which I understand has since gone to Great Britain. If Australia can do business like that why cannot we? Our silver mines are idle and hundreds of men could be put to work. The President of the United States still has the power to fix or to alter the price either of gold or of silver. I would point out that when the millers here are protesting the processing tax, it is interesting to note that the wheat growers of Australia are receiving less for their wheat than the growers in Canada, in terms of Canadian dollars, while flour there is very much cheaper than it is in Canada. There is something wrong there. According to the latest figures, the price of wheat here is 73¼ cents on the Winnipeg market while our flour is sold at from $3.90 to $4 a barrel, whereas in Australia the price to the farmer is from 52 to 60 cents a bushel while flour there is sold, as it is abroad, at something like $2.90 a barrel. Compare $2.90 with $3.90 and $4 charged here. I am quoting the exact figures as given by the latest bulletin, the barrel being 196 pounds. I am giving the straight comparison in Canadian funds and under similar conditions.

My purpose in rising was to point out something that we are overlooking, namely, that the sale of our silver to the United States would enable us to acquire considerable credit there and at the same time put many hundreds of people to work.

Mr. HANSON (York-Sunbury): It is nearly midnight and resolution 6 has a great many implications. I think we had better adjourn, and I suggest that to-morrow the minister make a statement—I have no doubt he has one ready—as to the implications of this resolution. I am beginning to realize all that it does imply, although I can only visualize a part of it now. We ought to be told frankly all that is intended by the administration with respect to resolution 6.

Mr. COLDWELL: We have not yet passed resolution 5.

Mr. LAPOINTE (Quebec East): Yes, we have.

Mr. COLDWELL: Resolutions 4 and 5 were called so quickly.

Mr. ILSLEY: Resolution 5 was called.

Mr. COLDWELL: I understood the hon. member for New Westminster was discussing resolution 5.

Mr. ILSLEY: No, resolution 6.

Mr. COLDWELL: I think resolution 5 should stand.

Mr. ILSLEY: Can it not be taken up on the bill?

Mr. HANSON (York-Sunbury): It can be discussed on the bill.

Mr. HARRIS (Danforth): To add to what the leader of the opposition has said, I would say that resolution 6 involves a matter of tremendous importance. As I gathered from the minister's remarks, the sum involved is equal almost to the gold production of Canada; that is to say, dividends and interest payments due in the United States are of a magnitude almost equal to Canada's gold export to that country. The sum involved is some $200,000,000, a figure that astounds me. It is of tremendous moment to Canada, and when the minister makes his statement to-morrow I hope he will not shut the door on the idea that in the United States at the present time there is not only a vast volume of public opinion, but a sentiment in the hearts of United States citizens who are the recipients of dividends and interest payments on their Canadian investments, that perhaps they should not take the last pound of flesh from the Canadian people in the form of foreign exchange to pay these dividends. They are to a great degree of opinion that confidence is so high in the future possibilities of Canada, taking a long-range view over a period of many years, and visualizing the position of this dominion in world economic affairs, that directors and investors might be advised that it would be well to plough back into Canadian industry the dividends which they are receiving from their capital investments in Canada—

Mr. HANSON (York-Sunbury): Or into Canadian war loan.

Mr. HARRIS (Danforth): —in order to help to liquidate the position of their business in Canada, so that in turn United States investors might more and more expand their interests here and develop our resources and, from the long-range point of view, receive in the course of years more and more from their investments in this country.

I am not one who is prone to suggest that we should arbitrarily declare that dividends from United States investments in Canada should not be exported. That is an arbitrary position to take and it is perhaps not good business. But when the minister makes his statement on resolution 6, I can well believe that those who have investments here will appreciate the point that it would be good business for them to expand working capital in our Canadian industries, in their Canadian investments, rather than force us to buy United States exchange to pay these dividends.

Let me put it this way. I know cases to-day of estates, individual recipients of hard cash, who are living off the interest that they are receiving from dividends which they had previously earned and left in the business, first, to assist working capital and, second, to expand that business, so that their families in days to come may receive more dividends or, if they want to expand their business still further, receive more interest on dividends.

Perhaps my hon. friends to my left will hardly understand how folks could live off interest or dividends, but it is being done in Canada to-day, and in this war emergency and the feeling that is in the hearts and minds of our United States cousins at the present time, perhaps they would not like this government to stop the export of dividends. But in my opinion they would be very happy to leave those dividends in Canada, to expand their interests here and develop our natural resources, so that generations to come might obtain the benefits of the expansion which would occur if the working capital of these companies were helped out by holding the dividends here, and they perhaps could receive the interest from those dividends later. Therefore I hope that when the minister makes his statement to-morrow he will give some thought to the possibility of encouraging a movement of that kind, rather than look to the position into which we may be forced within the next twelve months, of stopping the export of dividends, because his words will be recorded in the New York *Journal of Commerce.*

Mr. ILSLEY: As far as I can see, that subject is not dealt with under this resolution. I thought the statement the leader of the opposition asked me to make was under resolution 6 of this resolution, which to my mind deals with an entirely different matter. As I understand it, the subject about which the hon. gentleman has been talking is quite away from resolution 6. If hon. gentlemen opposite see some deep meaning in this that I do not see, I wish they would tell me.

Mr. HARRIS (Danforth): Under resolution 6 as I understand it, the minister is empowered to enter into agreements to grant assistance by way of special tax credits or special allowances for depreciation or deple-

tion if such assistance is considered necessary in order that an expansion of the exports of any individual, partnership or corporation receiving such assistance may take place.

Mr. ILSLEY: It has nothing to do with the movement of dividends.

Mr. HARRIS (Danforth): I would like the minister, in making these agreements, to keep definitely in mind the idea I have tried to enunciate, with regard to those of our United States cousins who are doing a very considerable business here, with the idea of conserving exchange from any dividends which may arise from the conduct of such business.

Progress reported.

SPECIAL WAR REVENUE ACT

Hon. J. L. ILSLEY (Minister of Finance) moved for leave to introduce Bill No. 8, to amend the Special War Revenue Act.

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

Mr. STIRLING: Before we proceed in the committee stage, the undertaking having been given that we would sit until twelve o'clock, surely it would be desirable to defer this stage until to-morrow.

Mr. LAPOINTE (Quebec East): If it is the desire of my hon. friend, of course we will report progress. Our idea was to send this to the senate to-morrow afternoon, but if my hon. friend has the slightest objection to sitting any longer, that is quite all right.

Progress reported.

Mr. LAPOINTE (Quebec East): I desire to thank hon. members of the committee for their kind cooperation, and I move that the house do now adjourn.

Motion agreed to and the house adjourned at 12.10 a.m. (Friday).

Friday, December 6, 1940.

The house met at three o'clock.

TRADE AGREEMENTS

STATEMENT AS TO TABLING OF AGREEMENTS WITH BRITISH GOVERNMENT RESPECTING BACON

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, may I say to the leader of the opposition (Mr. Hanson) and the hon. member for Qu'Appelle (Mr. Perley) that, if I may be permitted to do so later in these proceedings, I shall lay on the table the agreement in connection with bacon and a memorandum in regard to it.

Mr. HANSON (York-Sunbury): Will copies be immediately available?

ST. LAWRENCE WATERWAY

MESSAGE OF PRESIDENT ROOSEVELT TO SEAWAY AND POWER CONFERENCE—ENGINEERING PROBLEMS IN INTERNATIONAL SECTION

On the orders of the day:

Mr. A. C. CASSELMAN (Grenville-Dundas): Mr. Speaker, before the orders of the day are called I should like to ask a question of the Prime Minister (Mr. Mackenzie King). In view of President Roosevelt's message to the Great Lakes seaway and power conference yesterday, in which he is reported to have emphasized, among other things, "that the St. Lawrence project would provide millions in new horsepower urgently needed to speed up defence production," will the Prime Minister make a statement outlining in general terms the progress that has been made from the Canadian standpoint with respect to the scheme advocated by the Canadian representatives on the joint board as between (a) a single-stage development, (b) a double-stage development, (c) a controlled single-stage, or other scheme?

Will the Prime Minister also state what is the attitude of the government with respect to the seaway proposal, and whether opportunity will be given to those whose property will be adversely affected by the choice of scheme to present their views?

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, my hon. friend advised me of his intention to ask the question he has. I had anticipated that some question would be asked with respect to the important message which the President of the United States issued yesterday through Mr. Berle in connection with a great lakes seaway and power conference which is being held in Detroit. I have therefore come prepared to make a brief reply to my hon. friend.

The house has already been advised through the correspondence tabled on November 12 of the agreement reached between the government of Canada and the government of the United States, regarding additional diversion of water for power purposes at Niagara and the appointment of committees to carry on the necessary additional engineering investigations in the international rapids section of the St.

Lawrence. The diversion has been made at Niagara and the power development is being utilized for Canadian industry. The committees appointed by the two governments have been actively at work in the study and analysis of the engineering problems in the international section.

As regards the wider questions involved in the Great Lakes-St. Lawrence development, it will be recalled that the Niagara convention of 1929 and the St. Lawrence treaty of 1932 failed to obtain the approval of the United States senate, and the negotiations were later resumed with a view to the possibility of combining the projects in a revised single agreement. Delegations of officials appointed by the two governments met in Ottawa and in Washington last January and the problems involved have continued to receive consideration by both governments. Those negotiations will be continued. Any agreement resulting from the negotiations will, of course, be submitted to this house for approval in due course. I have earlier indicated that any such agreement on this subject would not be brought before the Canadian parliament until it had received the approval of the appropriate United States authorities.

As I have already indicated, the committees appointed by the two governments are continuing their study of the engineering problems in the international section. They have not yet completed or reported upon their work, and no final decision has therefore been taken as to the details of the development in this section. The project under consideration, as I stated a few days ago, is a controlled single-stage development, which differs from either the single-stage development or the double-stage development that was under consideration some ten years ago. On January 25 last the following statement as to the character of the project under discussion was issued after the conference of officials of the two governments:

> The engineering advisers of the two governments have reached substantial agreement on the feasibility and desirability of a project in the international rapids section of the St. Lawrence river which would involve a main dam in the vicinity of Barnhart island, with a power house in each country, and a control dam upstream. This project is based upon a plan which was discussed in some detail in the 1926 report of the joint board of engineers. The engineers of the two countries are in agreement that such a project is sound from an engineering standpoint, cheaper in cost than the project on which the 1932 treaty was based, and affords full protection for all the interests in the various sections of the St. Lawrence river.

My hon. friend the member for Grenville-Dundas has inquired whether opportunity will be given to those whose property will be adversely affected by the choice of scheme, to present their views. Any scheme for development naturally affects some adjoining property. This was of course true of the project embodied in the treaty which was negotiated by the government of the Right Hon. R. B. Bennett in 1932. At the appropriate time the present government will be quite prepared to receive representations from those whose property will be adversely or, for that matter, beneficially affected.

Mr. CASSELMAN (Grenville-Dundas): Did the Prime Minister make it clear that the agreement would first be submitted to the United States senate?

Mr. MACKENZIE KING: To the proper authorities in the United States, yes.

Mr. CHURCH: Will any agreement arrived at be reported to parliament before action is taken?

Mr. HANSON (York-Sunbury): Yes.

Mr. MACKENZIE KING: Parliament will have to approve of any agreement.

Mr. HANSON (York-Sunbury): May I direct the attention of the Prime Minister to the fact that no reference was made in his statement to the seaway aspect of this matter. I understood up to yesterday that the question of navigation was in the discard, but according to the president's statement of yesterday the navigation aspect has been brought back to life.

Mr. MACKENZIE KING: It is impossible to separate the development of the seaway from the power project. The two are interlinked; the one affecting power and navigation necessarily affects the other. Our purpose in seeking agreement is to provide that all phases of the question may be considered at one and the same time.

Mr. MacNICOL: May I ask the Prime Minister if this government has been notified by the United States of the recent order of the United States supreme court permitting Chicago to divert another 3,500 cubic feet per second for dilution purposes, increasing the dilution diversion to 5,000 cubic feet per second, the equivalent of the amount of water that will be poured later into lake Superior from northern Ontario? I should like to know also if this government has under consideration any means to control the level of the three centre great lakes. With another 5,000 cubic feet per second being diverted at

Niagara, and this 5,000 cubic feet per second being diverted at Chicago, the lake levels are going down six inches.

Mr. MACKENZIE KING: About a fortnight ago I rather anticipated that my hon. friend would bring up this question and I had a full statement prepared in connection with the order the United States supreme court had made. I shall send him the statement, but speaking from memory at the moment I would say that the order was to provide means of meeting a rather serious immediate sewage problem in one of the United States cities. The order took cognizance of the problem. The statement of the court however helped to emphasize the permanency of the arrangement for controlling the level of the waters in the lakes, about which my hon. friend is concerned.

BUSINESS OF THE HOUSE

PROCEDURE IN NOTICE OF AMENDMENTS TO RESOLUTIONS IN COMMITTEE OF WAYS AND MEANS

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I should like to ask the Minister of Finance (Mr. Ilsley) a question as to procedure. In Votes and Proceedings No. 17 of December 2 the resolutions, which we are about to consider, along with the schedules, are printed in full. Then in the Votes and Proceedings of December 5 I find that part I of schedule 1 is to be amended. For instance, tariff item No. 163 as it appears in the original schedule covers wines of all kinds containing 26 per cent or less of proof spirit. On page ii of the Votes and Proceedings of December 5 I find that this item is being amended to cover wines of all kinds containing forty per cent or less of proof spirit. I was wondering if that is the usual practice. A number of other changes are being made, including the items having to do with artificial silk and paintings. These resolutions have had the force of law as of December 2 and I am wondering just how importers will be affected. I suppose the reason for this will appear later in the discussion, but I did think that this was rather unusual. I do not know enough about our practice and procedure to say whether or not it is improper. It may have been done on many other occasions; I do not know.

Hon. J. L. ILSLEY (Minister of Finance): It is desirable to give notice of amendments if possible. When amendments are proposed while the house is in committee of the whole the committee has no notice. Whenever there is a chance to do so, amendments are printed in the votes and proceedings so that hon. members will be aware of what is being proposed. The other point mentioned by the leader of the opposition did not occur to me, but I assume that some consideration will have to be given in the issuing of permits to the fact that they were not included in the first schedule.

Mr. HANSON (York-Sunbury): I just wanted to be sure that no injustice was being done.

SOLDIERS' PENSIONS

RELIEF TO MEN DISCHARGED FROM THE ARMY AND IN NEED OF ASSISTANCE

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to ask the Minister of Pensions and National Health (Mr. Mackenzie)—we are glad to see him back in the house—if during the recess he will give consideration to providing some form of relief to the 15,000 men who have been discharged from the army, many of whom are destitute and unable to obtain any assistance. Will he have this matter taken up by the pensions committee which will meet next year? I draw his attention also to the fact that the pensions board has ruled that no pensions are granted in respect of men in military camps who are killed on the highways, it having been decided that they were not on military service. I should like this matter also to be considered by the committee. Will relief be granted to these other men this winter?

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): In connection with the first part of my hon. friend's question, that having to do with the 15,000 men who have been discharged from the army, may I say that my information is that most of these men have been absorbed into employment. The second part of my hon. friend's question refers to an order in council which was passed in May, 1940. All things of this nature will be considered by the committee to be established when the house resumes.

NICKEL AND SCRAP IRON

EXPLANATION OF DOCTOR ROBERT MCCLURE OF REPORTED STATEMENT AS TO SHIPMENTS TO JAPAN

On the orders of the day:

Mr. T. C. DOUGLAS (Weyburn): Mr. Speaker, yesterday the Prime Minister (Mr. Mackenzie King) was good enough to read to the house a copy of a telegram that he had sent to Doctor Robert McClure. The press reports that Doctor McClure has replied to the Prime Minister, and I wonder whether

the Prime Minister would care to place that reply on the record and give the assurance requested?

Right Hon. W. L. MACKENZIE KING (Prime Minister): I may say to my hon. friend that I am more than pleased to meet his request; for I certainly had in mind placing the telegram of Doctor McClure on *Hansard* to-day. It deserves something in the way of attention.

The house is already aware of the statement which was made by Doctor McClure at Toronto with respect to the export of nickel and of the fact that the Under-Secretary of State for External Affairs sent a telegram to Doctor McClure asking for an explanation of his statement and requesting particularly information as to the source from which he got his information. The following is the reply which the Under-Secretary of State for External Affairs has received:

Toronto, Ont., December 5, 1940.

Dr. O. D. Skelton,
Under-Secretary of State for
External Affairs,
Ottawa.

In view of the disturbing reports I have been given from what I consider an authority, and in view also of persistent rumours which have been given credence by less informed persons, I believe it would be in the best interest of Canada and the empire if you would unequivocally state that in addition to no permits being granted for the direct export from Canada to Japan of nickel, every precaution has been taken to ensure that no Canadian nickel, in any form whatsoever, is finding its way, even circuitously, to Japan or to any country dominated by or friendly to Japan from which transshipment might be made. I think your statement also should apply to Canadian copper in all forms and to zinc and lead. I do know from the disquiet in certain circles in China, Canada and United States that such a comprehensive, unequivocal statement would allay many fears. The information which I consider authoritative and on which I based my statement was not to the effect that shipments of Canadian nickel were being made directly from Canada to Japan but that they were reaching Japan after having been shipped from Canada to some other nations, such as United States or to some Pacific nations dominated by Japan. If the facts permit you to state that such transshipments do not occur, I will be most happy to apologize fully for having added to your cares at this time. Arriving Ottawa Friday evening.

McClure.

I might say to Doctor McClure that his apology is owing rather to the British government and to the other governments of the British commonwealth of nations for adding to the very difficult situation which at the present time exists between the governments of the different parts of the empire and other governments in the orient. These are days in which language cannot be too greatly restrained, and the language used by Doctor McClure in his statement which I quoted yesterday was of a character to raise very considerable difficulties between the governments of the British commonwealth of nations and certain countries in the orient.

The communication I have read to-day, while it does not answer the one sent yesterday, is very different in its statement from the one which was made originally. It is now not direct shipments to Japan, but it is said that nickel may have been sent from Canada to some other country and have found its way from that other country around to Japan. The statement originally made by Doctor McClure was that he himself had been digging scrap iron which had come from Canada out of the bodies of Chinese and that he expected others would be digging nickel which came from Canada out of the bodies of British soldiers. That is a very different indictment from that which appears in his telegram that I have just read.

Mr. HANSON (York-Sunbury): He did not say they were direct shipments; I think I should say that in justice to Doctor McClure. I do not know him at all.

Mr. MACKENZIE KING: No, he did not. He did not say they were not direct shipments.

Mr. LAPOINTE (Quebec East): The inference was clear.

Mr. MACKENZIE KING: Now, instead of Doctor McClure having information of his own knowledge, he states that his remarks were based on a statement which was made by some unnamed Canadian official and on information from some United States committee. Doctor McClure is to be in Ottawa, I understand, either this afternoon or to-morrow, and I have asked the Under-Secretary of State to ascertain from him the name of the Canadian official who he says gave him this information, and also to enlighten us a little as to the United States committee that gave the information on which he based the extraordinary statement which he made.

I have already given the house information as to the export of nickel from Canada. Its export has been under extremely close control since the beginning of the war. Permits are required for its shipment from this country in any form to any destination, and permits have not been granted when there was any reason to believe that the nickel might directly or indirectly reach a hostile destination.

We have not only made certain that no nickel was exported direct from Canada to any dangerous or possibly dangerous destina-

tion, but we have taken far-reaching precautions to see that nickel exported from Canada to another country is not re-exported in primary or fabricated form to any destination for which we would not grant an export permit for nickel in the first place. Our policy, as I have already stated, is to see that nickel is kept to meet the war needs of Britain, direct, and in articles being manufactured for Britain and ourselves in the United States. It is obvious that the secondary control cannot be as completely watertight as is our direct control over the shipment of nickel in its primary forms. Nevertheless, I have reason to believe that it is operating satisfactorily except with regard to nickel scrap. Here there is undoubtedly a small reexport trade from other countries to which the Canadian system of export control and guarantees cannot be extended.

I might add that I am prepared to arrange to have any member of the house furnished with full confidential information as to the control procedure in force in Canada, but it would not be advisable to make that particular aspect of the question public.

PRAIRIE FARM ASSISTANCE

QUESTION AS TO DECLARATION OF CROP FAILURE AREA IN SASKATCHEWAN

On the orders of the day:

Mr. T. C. DOUGLAS (Weyburn): Might I direct a question to the Minister of Agriculture (Mr. Gardiner). How soon does his department expect to have sufficient data available to decide whether or not a crop failure area can be declared in Saskatchewan under the Prairie Farm Assistance Act?

Hon. J. G. GARDINER (Minister of Agriculture): Mr. Speaker, I gave that information to the house yesterday and it will be found on *Hansard*.

Mr. DOUGLAS (Weyburn): The minister was not clear as to when. He said that he expected it would be done.

Mr. GARDINER: The latest information we have is on *Hansard* of yesterday. I cannot state exactly when.

"HIS MAJESTY'S GOVERNMENT"

REFERENCE BY THE PRIME MINISTER TO EDITORIAL IN THE MONTREAL GAZETTE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): I wish to say a word on a matter which I do not think can be called one of parliamentary privilege, and certainly it is not a matter of personal privilege, but it might be as well to clear it up.

[Mr. Mackenzie King.]

I notice that the Montreal *Gazette* of to-day contains an editorial in which it finds difficulty in seeing why it should be necessary for this government to confer with the British government before deciding whether or not we should resume our sittings on the 17th of February. The language used in my motion respecting adjournment, on which the editorial is based, was that you, Mr. Speaker, in conference with his majesty's government, would decide whether or not it was necessary to have parliament reassemble earlier than February 17. The *Gazette* seems still to belong to an age which regards his majesty's government as the government existing in Great Britain. I might say that over thirty years ago Sir Wilfrid Laurier made clear to all parts of the empire that the governments of the different dominions were all his majesty's governments. Certainly for many years past, in official communications which have passed between the governments of Great Britain and Canada, the one is referred to as "His Majesty's Government in the United Kingdom," and the other as "His Majesty's Government in Canada." That is the present practice. When I speak of "his majesty's government," if I not specify, I have reference to His Majesty's Government in Canada.

PRIVATE BILLS

EXTENSION OF PERIOD FOR PRESENTATION OF PETITIONS UNDER STANDING ORDER 92

On the order for motions:

Right Hon. W. L. MACKENZIE KING (Prime Minister): This is a matter of procedure. I move:

That, on account of the pending adjournment of the house, the six weeks' period allowed by standing order 92 for the presentation of petitions for private bills be deemed to expire on Wednesday, February 26, 1941, instead of on Wednesday, December 18, 1940.

Motion agreed to.

SPECIAL WAR REVENUE ACT

The house resumed from Thursday, December 5, consideration in committee of Bill No. 8, to amend the Special War Revenue Act—Mr. Ilsley—Mr. Vien in the chair.

Sections 1 and 2 agreed to.

Schedule agreed to.

Bill reported, read the third time and passed.

WAYS AND MEANS

WAR EXCHANGE CONSERVATION ACT, 1940

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

6. That the governor in council in order to increase Canada's supply of foreign exchange may, on the recommendation of the Minister of Finance, enter into agreements with individuals, partnerships or corporations to grant assistance by way of special tax credits and/or special allowances for depreciation or depletion under the Income War Tax Act and the Excess Profits Tax Act, if, in the opinion of the governor in council, such assistance is necessary in order that an expansion of the exports of any individual, partnership or corporation receiving such assistance may take place.

Hon. J. L. ILSLEY (Minister of Finance): The leader of the opposition (Mr. Hanson) asked me yesterday to make a statement about clause 6. Before I do that, perhaps I should give a little information which was asked for by other hon. members.

The hon. member for Vancouver South asked for certain information about imports from various countries. These are estimates, since in some cases only parts of statistical items are included in the schedule. Further, imports which came from Europe in 1939 tended to come from the United States. In addition, a number of imports from other countries, such as Japan, are recorded as originating in the United States because they enter Canada from the markets of that country. For example, practically all our imports of raw silk are credited to the United States. With these qualifications, the best figures that I have been able to get for the hon. gentlemen are these:

Total foreign imports.....	$53,000,000
United States	41,600,000
Japan	1,800,000
Europe	8,500,000
Other countries	1,100,000

The recorded imports from individual countries can be given for most of the individual items as those items are discussed. It has not been possible in the limited time since last night to prepare a more particularized statement than this.

Mr. GREEN: Could the minister say what is the value of the silk which comes from Japan through the United States to Canada?

Mr. ILSLEY: Approximately $6,000,000. Now, with regard to the request of the leader of the opposition for figures relating to the importation of motion picture film from the United States: for the eight months from April 1 to October 31, 1940, the amount of motion picture royalties paid was $3,199,047.07.

Mr. HANSON (York-Sunbury): Is that item growing in quantum?

Mr. ILSLEY: I could not say.

Mr. HANSON (York-Sunbury): Of course that in itself is not a very large item, but it is an item; and at the risk, perhaps, of being a little rash, I suggest to him that a lot of these films are in the category of magazines. I would not say that about the good films; I enjoy the good films; but there is a tremendous amount of trash coming in from the United States for which good Canadian dollars in the way of royalties are going out. I realize, however, that in the small communities they cannot afford to buy and pay for the good pictures, at least until the pictures are very old, and I hesitate to suggest to the minister that there should be anything in the shape of prohibition of these films. I suppose they are all censored by the provincial authorities. But there a tremendous number of them, it appears to me, are neither entertaining nor educational. I do not think I should say more than that. But it is an item to which the minister may have to give consideration later on.

The CHAIRMAN: Carried?

Mr. ILSLEY: I am quite content, Mr. Chairman, to have the resolution carry, but an hon. member asked that I make a statement with regard to it before it was considered by the house. In the speech which I made at the time these proposals were introduced I emphasized the extent to which the government is in a positive way attempting to increase our supplies of foreign exchange. We are not confining ourselves merely to negative, restrictive measures. The present provision as to encouragement of exports is in the nature of an enabling measure. It gives power to the governor in council to enter into agreements. It is anticipated that under such agreements the government would offer certain concessions in exchange for an undertaking on the part of a company or individual to provide additional exchange of some amount. The benefits would be conditional upon a certain undertaking having been fulfilled by the exporter to the government's advantage.

Mr. HANSON (York-Sunbury): That is, to increase their exports?

Mr. ILSLEY: Yes. While this method of proceeding may be regarded as unusual, I think it is fully justified by the unusual circumstances we have to face. The variety of situations with which we may have to deal makes it next to impossible to formulate legislation which will be sufficiently elastic. I should like to give the house an example of what I mean by this.

A company may be able, through certain additional capital expenditure, say to double its exports of pulp. If it did this it would probably find that 79·5 per cent of its profits on this business would be taken away in corporation income tax and excess profits tax. In British Columbia, for example, a further ten per cent of profits would be taken by the provincial government if the profits exceeded a certain amount. In these circumstances the company would have only 10·5 per cent of its profits left. This margin of profits might not be sufficient to justify the capital expenditure for what might later have proved to be only a temporary market. In such a case a greater allowance for depreciation than is ordinarily allowed might be sufficient to induce the company to go ahead and take the risks involved. Another company might be able to expand somewhat its exports with little or no additional capital expenditure. Additional depreciation might not be of great assistance here. Different circumstances in this case might call for another type of incentive.

It is just possible after we have explored the possibilities further we may be able to generalize on some incentive provisions for certain industries. And here I might again emphasize that this is enabling legislation that we are concerned with. I would interject at this point that it was at first contemplated that we would ask the house for power to finance, to assist industries by loan or guarantee, if they would undertake to provide a certain amount of foreign exchange.

Mr. HANSON (York-Sunbury): We really do not need that.

Mr. ILSLEY: I thought it was too dangerous a power for the government to take and that the two classes of assistance authorized by this bill were sufficient, at least to start with. There are two classes, one being increased depreciation or depletion allowance, and the other tax credits, which would be proportioned to the exchange produced.

Mr. HANSON (York-Sunbury): The minister has abandoned that idea?

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): Of financing?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): If you allow these companies to make a little money they will do their own financing. It should not in any degree become a burden on the country's credit.

[Mr. Ilsley.]

Mr. ILSLEY: I argued that the companies should be allowed to make a little money this last year, and my hon. friend was in favour of a 100 per cent excess profits tax.

Mr. HANSON (York-Sunbury): Based on the English practice. Do away with the corporation tax.

Mr. ILSLEY: They would not have had any incentive then. In other industries, it may not be possible even subsequently to lay down any general rules. For example, certain gold mines may be facing a situation where the margin of profit is so low—for instances, 50 cents a ton—that it is not in the interests of the company to attempt to continue operations. I think anyone who is familiar with the gold mining industry will realize that some mines can continue to look forward to a profitable future even with a very low rate of profit per ton, while in other cases a much higher rate of profit per ton may not be sufficient to justify continuing operations. In circumstances such as these, the house will realize that it would be uneconomical to offer concessions to all mines whose profit per ton is less than a certain amount. An arrangement of this sort would almost necessarily mean that many would be getting benefits which they do not need, while others which needed it were obtaining no relief whatever. It is in the face of situations such as these that it seemed necessary to take power to deal with individuals by means of contract or agreement rather than attempt the more wasteful and uneconomical method of providing benefits through general legislation.

It is the intention of the government to have such agreements as are entered into tabled in the house and available to members. Full details with regard to the administration of this provision have not yet been worked out. However, these details will be developed later as seems best.

Mr. HANSON (York-Sunbury): Would they be made available in the interim if parliament were not in session? They will be stale by the time we get back. As regards the question of depreciation and depletion, to which the minister has alluded, has he come to any conclusion with respect to the extra quantum of depreciation and depletion which may be allowed? Both are important. I am not opposing the suggestion at the moment, but I should like to have it elucidated.

I would point out, on the subject of depreciation, that consideration ought to be given the question whether the raw material is cut off a company's licensed lands, that is to say, lands held under licence from a provincial government, or whether the raw material is cut off

freehold lands owned by the company. May I tell the minister my own experience? Not so very long ago, in settling a tax claim against a taxpayer, I discovered that in the income tax department no discrimination was made, on the item of depletion, between pulpwood cut on licensed land held under a licence from the crown in the right of one of the provinces and raw material cut on the company's privately-owned lands held in fee simple. The situations are entirely different. This was some time ago, and apparently the department had not before had the matter drawn to their attention. They adopted an arbitrary figure, say a dollar a cord—I cannot remember the exact figures—and applied it in both cases, whereas in the case of privately-owned land double depletion at least should be allowed on raw material cut on fee simple land owned by the company. The land can be cropped only once in so many years. There is not the capital invested in a timber licence that there is in privately-owned land, and if they are to be on the same basis it will work an injustice. Much greater depletion should be allowed for pulpwood cut on fee simple land than on licensed land. I am sure I convinced the commissioner that this was the proper thing to do and I hope he has been following out that practice. I wish to take time by the forelock to suggest that it be carried out.

Since we were here last evening there has appeared in the morning papers—I have before me a clipping from the Ottawa *Journal* of this date—an item which I suppose was supplied by the Canadian Press. The heading is:

Gov't to Aid Newsprint Industry

May give tax relief under special war measure.

The text reads:

The government is expected to take action, probably under a provision in the special war finance measures now before parliament, to give taxation relief to the newsprint industry.

This industry to-day ranks next to gold in commodity export to the United States and thus in the provision of the urgently needed United States dollars.

It goes on to tell a story and to give figures of exports, and it refers to the minister's speech on Monday in which he spoke of a "special allowance for depreciation or depletion of capital assets" being made to companies for the purpose of export trade. It adds:

That is a provision which may be worked out under the Excess Profits Tax Act.

May I ask the minister if it is intended to do that through that legislation or by enabling legislation such as he has now referred to in connection with the matter at present under consideration?

I should like to make this statement with respect to the excess profits tax. Perhaps it is too late to start off on a new basis in connection with that tax; we have had for years the corporation tax. This is the thought I should like to convey to the minister: that these companies should not be taxed to death at the present time; they must be sound and able to withstand the depression that may come to this country after the war. That should be done not for the benefit of the companies themselves but so as to prevent them having to "go through the wringer," as they have had to do in days gone by; and more especially so that they may be in a position to give employment in times when employment may be sadly needed. Their resources should not be sapped too much. If you take away from them all their earnings in good times and give no consideration to the losses in bad times which most of them have experienced, some of these companies are going to find themselves, let us say, with expensive inventories at the expiration of this war. All the foresight in the world will not prevent some of them from having large and costly inventories on hand, and they may find that the value of their assets has shrunk overnight while their liabilities remain just the same. They may not be able to meet their obligations to their creditors, with the result that reorganizations are bound to follow.

What does that mean to the country? It means unemployment, reduced wages and generally bad times. I want to convey to the minister the idea of the need for broad vision; that these companies should not be taxed to death but should be put in a position to weather the next storm.

An hon. MEMBER: What about the farmer?

Mr. HANSON (York-Sunbury): Yes, I agree, but at the moment I am not dealing with the farmer. These big companies provide the backbone of our employment in certain parts of eastern Canada—in my province, to a lesser degree in the minister's own province, and to a very large extent in Ontario and Quebec.

I do not want anybody to say that I am championing the bondholders of these companies. I know that thought will immediately arise in the minds of some. I have even heard it said that the whole basis of the Rowell-Sirois report is to protect the bondholders of the provinces at the expense of the dominion. I never thought that was the genesis of the report, and I do not think so yet; but there are people who will say it, and the minister will hear it before this session is over. That theory does not carry conviction to me. But the principle I am trying to

impress upon the minister is that these companies should be left reasonably sound in order to be able to weather the storms that may come. Revenue must be obtained, but let us take it from the ultimate recipients of the earnings of these companies. The principle followed in England is sound. We may have gone too far to go back to it now, but I do beg of the minister that he give consideration to what I know is a constructive suggestion with respect to company taxation and finance. Because after all, with the system of modern finance, these companies are the backbone of industrial employment in Canada, and if they are not prosperous how can they give employment in bad times?

The minister has indicated the general trend of his ideas; he is going to make these allowances with respect to depreciation and depletion in return for certain undertakings to increase exports. The idea has a good deal of merit. I would like to have the principle developed a little further, and if he could be a little more definite it might be helpful in passing this resolution.

May I call the minister's attention to another consideration with respect to export trade and the increase in the volume of our United States exchange resulting therefrom. There is still in this country a substantial industry known as the lumber business, which for generation after generation was the backbone of the industrial life of the maritime provinces and eastern Canada, as I believe it is to-day of the industrial life of British Columbia. Is the minister prepared to say that consideration will be given to lumber companies which are not in the pulp and paper business but want to do an export trade, who have to suffer in a lesser degree in connection with the question of depreciation and depletion but will make a valuable contribution to the total import of United States dollars into Canada? I have an idea that our lumber men may be able to export a good deal more to the United States in coming days, especially if certain things happen, if the tempo of business is increased by certain eventualities in the United States which perhaps all of us are thinking about. Will the minister give consideration to extending this principle, rather nebulous yet, to export companies of that type, and not confine it so much to the bigger companies?—because I think it should go down the line. The line has to be drawn somewhere, but consideration might be given to all classes of business that are in the export trade in a reasonably large way.

Mr. ILSLEY: They are included. There is no exclusion of lumber companies, or any kind of company for that matter.

[Mr. R. B. Hanson.]

Mr. HANSON (York-Sunbury): I am just calling the minister's attention to that.

Mr. ILSLEY: I am anxious to get ahead, but let me say a word in respect to what the leader of the opposition says about taxation of companies. I am interested in hearing him take that stand, because hon. members cannot take two different stands—I am not talking about the hon. gentleman particularly. The feeling of this house last year certainly was that business interests were not to be allowed to use the war or the war period as a means of making profits in excess of ordinary normal profits. Now a doctrine has arisen—it may be a good one; I am not prepared to condemn it now, but it is certainly contrary to the former one. We find it in the financial press; to-day we hear it from the lips of the leader of the opposition. The sentiments he now expresses are very different from his stand last spring, when he was in favour of taking away from these companies all the excess profits that they earned during the war. If we are going to do that we cannot put them in a position to build up reserves against undefined losses in the future.

With regard to inventory reserves, the hon. gentleman referred to the probability that their inventories would suddenly drop in value at the end of the war. That was the experience at the end of the last war, and for that reason we embodied in the Excess Profits Tax Act a section providing, within certain carefully thought-out and defined limits, for inventory reserves. I do not see how we can possibly provide for general reserves against loss of profits due to some undefined circumstances that may arise in the post-war period. That would be equivalent to enabling them to prosper during the war, something to which the house was certainly opposed last session and to which I think it is still opposed.

There may be some middle ground. I pleaded for moderation last spring in this house; I said that in view of the fact that a great deal of our capital in this country had come from outside, and that a great many of our own people would do better if some profit incentive were left, I pleaded for moderation in this regard, and we were confronted by our friends of the Cooperative Commonwealth Federation who said, "No, take it all away from them." And my hon. friend, and many of the members of his party, joined them. What has happened is exactly what I expected would happen. I knew that at every session we would have more and more members who, having in mind the experience of certain companies, perhaps companies in their own districts, would say, "Be a little easier on those

companies." Now, I am prepared to listen to all requests of companies, but I am not prepared to abandon the principle we laid down at the beginning, namely that companies during this war period shall not be allowed to strengthen or buttress their positions, or to build up reserves and make themselves prosperous, thinking that later there may be a loss of prosperity.

Mr. COLDWELL: The minister made one very interesting admission, if I may say so, during the course of his remarks, namely, that the incentive which must be provided for industrial expansion is some additional profit. I want to draw the attention of the committee to that statement. We are appealing to our people to make sacrifices in a war period, yet the minister tells us that the government cannot take excess profits to the extent I believe they ought to be taken, because if that were done we should be providing no further incentive. Therefore the required incentive must be the incentive of profit, for that is what makes the wheels of industry go round.

In order perhaps to provide a little balance, the leader of the opposition having spoken as he did, I would say that we disagree with the point of view he has expressed. We object, too, to the powers given to the government under this proposal, whereby they may interfere with the excess profits tax. The house agreed this summer—members of this group dissenting—that the profits over and above the base period should be taxed at the rate of seventy-five per cent of the excess profit. That still left twenty-five per cent of the excess to the company.

Mr. ILSLEY: Just to keep the record straight: That, combined with the Income War Tax Act, left only 20·5 per cent. The combination of the two amounted to 79·5 per cent.

Mr. COLDWELL: I am dealing with the excess profits tax, and the minister is bringing in some other tax. But we have left the companies with 20·5 per cent of the excess profits after excess and other taxes have been paid, an amount which, to my mind, is a considerable increase over what they had before.

I repeat now what we said in the summer, namely that to my mind the base is not equitable for the imposition of that tax. If we examine the records of some companies we shall find they made profits in 1939 as high as forty per cent, and their average would be around that for several years before. I would refer at this time to companies such as the Consolidated Mining and Smelting company, or Canadian Industries Limited. Yet the proposal is that these plants shall be allowed to retain, if the government so permits, a percentage of the excess profits larger than that now allowed. I wish to register a most emphatic protest against the adoption of such a policy.

At the present time the gold mining industry is relieved from several forms of taxation. The ground given is that we require the gold. Of course, under existing circumstances, we require the gold in order that we may obtain the necessary dollar exchange in the United States. But in my opinion the necessities of this country, arising out of war effort, ought not to be the excuse for allowing corporations to escape taxation.

The other evening the minister said that the group to which I belong want to take over and to socialize all industry. That is not so.

Mr. HANSON (York-Sunbury): Pretty nearly.

Mr. COLDWELL: No, it is not. We would take over at this time the industries essential to the carrying out of our war effort. We would take over the munitions industry, and if necessary the mining industry, and any others—

Mr. HANSON (York-Sunbury): And the banks.

Mr. COLDWELL: —essential to our war effort.

Mr. LACROIX (Beauce): And the paper industry?

Mr. COLDWELL: At the present time that industry is not essential to our war effort. I believe that by progressive steps this nation, and other nations too, will take out of private hands and operate for the good of the community those industries which to-day are private, profit-making monopolies. Indeed, as I have often said, and as I shall repeat this afternoon, we believe that more people should own more property and that a few people should own a great deal less property than they now own. That is the basis of our plea. Whether we like it or not, it is coming, and coming fast.

One of the factors which will bring this condition about more quickly than any other is the type of class legislation implied in this particular item. I protest against it on behalf of the group with which I am associated. I protest, because I believe when we are calling upon our men to relinquish their homes, their jobs and everything else, we have the right to ask these industries to do without the profit motive or profit incentive.

Last night the minister gave the hon. member for Weyburn something in the nature of a verbal castigation because that hon. member had suggested that there were people in the country who were looking for profits and who ought to be controlled. Now we find, on the minister's own statement, that there are industries in Canada that we cannot expect to operate unless they show increased profits during war time.

Mr. HANSON (York-Sunbury): No, that is not a fair statement.

Mr. COLDWELL: Yes, it is a fair statement; and if the leader of the opposition and the minister will read *Hansard* to-morrow they will find that that is the effect of the statement made in committee this afternoon—namely, that they want a further incentive.

Let me proceed to the next thought in that connection. We are told that we must put those industries in a position whereby they may give after-war employment. But our experience in the past has been that there was no employment unless industry could see a profit.

Mr. HANSON (York-Sunbury): That is not right.

Mr. MacNICOL: That certainly is not right.

Mr. COLDWELL: It is true.

Mr. HANSON (York-Sunbury): Half the paper companies in Canada—

Mr. COLDWELL: I have the floor.

Mr. HANSON (York-Sunbury): Then may I ask a question?

Mr. COLDWELL: Yes.

Mr. HANSON (York-Sunbury): Does the hon. member know that half the paper companies in Canada operated for years at a loss?

Mr. LACROIX (Beauce): For thirteen years.

Mr. HANSON (York-Sunbury): For at least ten years some of them operated at a loss, but they continued to give employment.

Mr. COLDWELL: That may be true, but it does not affect the argument I am making, namely that unless industry can see the prospect—I shall use that word—of a profit, there will be no industry, and the industry that can show a profit will be the one which will be operated. All one has to do is to look at our own economy to know that that is true. Industries such as those owned by distillery and liquor interests operated continuously because they could obtain money and make a profit while other industries which might have given work and essential services to our people were idle.

Mr. McCANN: Does the hon. member know of any essential industry which is closed because of inability to make a profit?

Mr. COLDWELL: A number of essential industries were shut down or on part time during the depression.

Mr. McCANN: This is war time.

Mr. COLDWELL: In some cases they were closed for days and weeks. Take the mining industry, for example. I know of mines that were closed down when people in the province in which I live were without coal. The need for the coal was there, but there was no profit because the people had no purchasing power and consequently the industry would not make deliveries.

A few days ago I asked for a return from the Minister of Munitions and Supply (Mr. Howe). I was anxious to obtain some information regarding new plants being built. I find that a great deal of the information which I require in order to understand what is going on has not been given because it is not considered to be in the public interest to give it. The government should tell the exact basis upon which plant extensions in private industry are being made. Many plants are being built and extended by the governments of Canada and Great Britain, and, if I understand the matter aright, there is a similar proposal involved in this.

If my information is correct, the rate of depreciation being allowed in privately-owned plants is such as these publicly-financed extensions can be written off in five years. My information may not be correct, and I have asked questions in order to get the correct information. If what I have just said is incorrect, then I want it corrected so that I may know precisely what is going on in the department. I want to protest against this method of making special allowances for depreciation or depletion to corporations under the Income War Tax Act and the Excess Profits Tax Act, if, in the opinion of the governor in council, such assistance is necessary in order that an expansion of the exports of any individual, partnership or corporation receiving such assistance may take place. That covers a great deal of ground, and in my opinion we are giving a very dangerous power to the government in providing that this type of assistance may be given to industry.

Mr. KINLEY: I think the hon. member has missed the important point of this resolution. The purpose of the resolution is to increase Canada's exchange. I cannot conceive

of a healthy business without profit. It may be that the government will take that profit to carry on the war, but that is another matter entirely. Let us consider the individual. The profit that an individual makes is what he lives on.

Mr. COLDWELL: Oh, no.

Mr. KINLEY: The profit that an individual in business makes is what he lives on. If he has a loss, he will have nothing to live upon. In the case of a corporation, the officials are paid before the profit is computed and there is a slightly different situation. I do not think this resolution is framed for the rich or large companies. I can see in it possibilities for the fishermen in my riding. The herring and mackerel fishermen in the maritime provinces can catch fish, but the prices on the foreign markets are so low that they have no profit. If certain expenses can be eliminated, then these men can ship their product to foreign countries and we will have the advantage of the exchange. I have in mind the vinegated herring industry, or herring cured in vinegar. There are fishermen and dealers in my riding who operate in a small way but who produce thousands of barrels of these vinegated herrings. This product has a ready market in the western states but at present the price is not sufficient to make a profit possible. Surely it would be in the interests of the country to have this industry stimulated.

Then in connection with the newsprint and pulp industry, it seems to me that if this industry can increase its production it would bring more exchange to the country. At the present time no newsprint or pulp is coming in from Europe. Surely abnormal extension expenditures could be written off in a way that would not prove a burden when we return to normal times. I think this would be eminently in the interests of the people of the country. To make this resolution the subject of an attack on the capitalistic system is not in keeping with our war effort. The capitalistic system is not perfect; it was conceived by man and anything conceived by man is not perfect. But for the last hundred years it has been the best way devised for the orderly progress of society, and until I can see something better—I am always looking for something better—I am not prepared to step into some unknown which will reduce this country to a condition similar to that prevailing in the countries of Europe where the conflict is going on at the present time.

Mr. HARRIS (Danforth): Last evening the minister said that if hon. members opposite to him were able to see some deep meaning in this legislation which he could not see, he wished they would tell him. This resolution provides for assistance to individuals, partnerships or corporations by way of tax credits or special allowances for depreciation or depletion. There are individuals, partnerships or corporations which have invested United States funds in this country to develop our natural resources. If in due time they have dividends to disburse and ask the foreign exchange control board for United States exchange, then I suggest to the minister that should any of these individuals, partnerships or corporations appeal for assistance under this section they should be told either to pay their dividends in Canadian funds or to refrain from going to the foreign exchange control board for United States funds with which to pay dividends.

Mr. ILSLEY: The hon. member is referring to United States owned companies.

Mr. HARRIS (Danforth): I tried to make that abundantly clear last night. I have one other suggestion to make, apart altogether from this one, but having to do with the conservation of foreign exchange. Many United States owned companies make interplant shipments from Canada to the United States which are invoiced at prices far below the true market value. It is difficult to establish this, but these prices should be checked in the United States in order to make sure that we are getting the full United States exchange for these exports. Some commodities are shipped to the United States for further processing before being marketed. I have one firm in mind which placed $100,000 in their depreciation reserves for the day when commodity prices might drop considerably. When any of these individuals, partnerships or corporations appeal for concessions under this resolution I hope the department will see to it that they invoice shipments from their Canadian to their United States plants at the full market value in order that Canada may obtain the full exchange value of the shipment. I just throw that out as a suggestion.

Mr. ILSLEY: I think the income tax division takes some pains to see that that is done.

Mr. O'BRIEN: Mr. Chairman, so far I have remained almost mute in the deliberations of the house, and it is not my desire now to delay the committee. I find this discussion very interesting for the reason that as I am in business, as most of the members are, it is something that we can put our teeth into. The war discussion has been so abstract at times that I have felt bewildered.

During this discussion the word "incentive" has been mentioned, and the leader of the opposition (Mr. Hanson) has voiced a view

which I should like to commend. The immediate incentive is not altogether the point, but, it seems to me, as he so ably suggested, that the future is a very important item to consider.

Coming as I do from the county of Northumberland, which depends almost entirely on the lumbering business, as do also the constituencies of Gloucester, Restigouche-Madawaska, Victoria-Carleton, York, Kent, and virtually all the northern counties of New Brunswick, I know that this item is a matter of vital importance to our province and particularly to what I might term the owner-managed type of business. Some reference has been made to-day to corporations. Corporations I think are usually able to take care of themselves, but the smaller owner-managed type of business usually suffers owing to the fact that there is no organization in which their difficulties can be discussed with a view to getting relief. For that reason I wish to compliment the minister upon the degree of flexibility which is being achieved, because, as we all know, in times like the present there must of necessity be generally speaking, rigid control.

When a government or a department is dealing with matters of business, certainly business principles should be followed; for any business, to be successful, must of necessity have a great degree of flexibility in its structure. Therefore I am happy to note with reference to individuals, partnerships or corporations that each situation may be flexibly treated on its merits. That I think is a splendid thing.

Referring to the Ottawa *Journal* of this morning, to which the leader of the opposition also referred, it seems to me that the report as to government aid to the newsprint industry is a bit premature because that is what we are attempting to determine here at the moment. But if it should be the decision of this committee that aid should be given to the newsprint industry, and the department is given the necessary authority, I suggest that if relief is given, and I am in favour of the principle in the circumstances—

Mr. ILSLEY: No relief is to be given to the newsprint industry, but the same concession will be available to them if they can produce exchange as a result of the concession. But the idea is not to relieve the companies.

Mr. O'BRIEN: Concession or relief.

Mr. HANSON (York-Sunbury): Before any return is made they must do thus and so.

Mr. ILSLEY: Yes.

[Mr. O'Brien.]

Mr. O'BRIEN: I would hope that we might follow along the same line in connection with the primary producer, the producer of pulpwood, for instance. I am not going to quote any figures here to-day because frankly I believe business should be smart enough to govern its own affairs and create its own destiny so that government would not be forced to interfere and control business.

Whether it be done by statute or by persuasion, and I much prefer persuasion, it seems to me that the newsprint industry should be informed that the primary producer of pulpwood, the farmer, is not receiving a sufficient return in view of the increased profits and the much greater returns which evidently the newsprint companies are making to-day. I am informed that pulpwood in Nova Scotia—it may be so-called distress wood—is now being sold at $7 a cord, which I think is a price unfairly low. Whether the matter should be looked after by the war-time prices and trade board or by some other agency I do not know, but on October 29 I wrote the Canadian Pulp and Paper association drawing attention to the matter and stating my belief that the pulp and paper industry should consider it. I received a non-committal reply, almost a month later. I hope the pulp and paper business will be smart enough to realize that if this adjustment is not made voluntarily by the business itself it will eventually be done through government control.

There is another matter in connection with the small lumber business, to which I should like to refer. I wrote to the minister with regard to this and received a friendly and I think useful reply, stating that he would be glad to have any suggestions. In the lumber business as carried on in New Brunswick and Nova Scotia, the operations take place in small portable mills, which do not permit of any large capital investment; consequently depreciation on the plants used by these small owner-managed businesses is practically nil. I am convinced that those of us engaged in the lumber business in the maritime provinces wish to carry on that business in order to supply the necessary material required for Great Britain's war effort. We are not particularly anxious to make enormous profits. But as the leader of the opposition has suggested, provision should be made so that in the future some reserve may be allowed. That is perhaps looking too far ahead, but I have been wondering if it would not be possible to devise some scheme along this line. Let us say that a company pay a $5,000 tax—I am speaking of an owner-managed business. In return a certificate might be given to them for a certain portion of that tax to be re-issued

without interest to the person making the payment, so that in future years, when war business ceases and unemployment and depression are perhaps again our unhappy lot, the certificate might be taken by the lumber operator or the operator of any other line of business to his bank as security. Some future generation might thus reimburse the present day operators in view of the severe war conditions they have to contend with to-day. As a matter of fact I think such a certificate of the dominion would be as valuable to the bank as some types of bonds. I hope that when these concessions are being arranged—because I appreciate the necessity for creating exchange—some consideration will be given to the primary producer, particularly the small farmer pulpwood producer.

Mr. CASSELMAN (Edmonton East): Mr. Chairman, I rose for the purpose of asking a question of the hon. member for Rosetown-Biggar (Mr. Coldwell) but he has left the house so I shall have to leave that till later. Somebody had asked him whether he would consider farming an essential industry to be taken over by the government.

Mr. DOUGLAS (Weyburn): Surely the hon. member does not think that farming is a monopoly.

Mr. CASSELMAN (Edmonton East): I was talking not about monopolies but about industries. I should like to ask the minister if this section we are now dealing with is wide enough to enable the government to make whatever arrangements might be deemed desirable to assist coal. I have in mind particularly Alberta, where coal is a vital matter to us. My information is that about $93,000,000 went to the United States last year for the purchase of coal by Canadians. It seems to me that this is a very important question, much more important, in fact, as regards the conservation of exchange than the matters with which we have been dealing, although I do not quarrel with those at all. Is this section which we are dealing with wide enough to promote a greater market for Canadian coal in the way of subventions or lower freight rates or in any similar manner?

Mr. ILSLEY: No. This measure does not affect industries which rely on the domestic market. This is to encourage export industries for the purpose of obtaining exchange.

Mr. GREEN: As I understand it, the purpose of this resolution is to help increase Canada's supply of foreign exchange. That is being done by giving certain remissions of taxation in order to expand exports.

Mr. ILSLEY: Yes.

Mr. GREEN: The discussion to-day has taken the form of considering exports to the United States. In British Columbia practically all the lumber which is exported goes either to Great Britain or to one of the empire countries, in which transactions, of course, there is no such thing as United States exchange. Is it the intention that this power shall be used to assist the lumber industry to expand its exports to British empire countries?

Mr. ILSLEY: No, that is not the intention of the legislation. Although it is possible under this bill, it is not considered desirable to limit the powers so as to make that entirely impossible. But it is not my intention at the moment to recommend assistance except for the single purpose of increasing our supplies of par currency exchange.

Mr. GREEN: Last evening the hon. member for New Westminster (Mr. Reid) raised the question of promoting the production of silver. Frankly, I thought he made an excellent presentation. I believe that many of us in this house are in entire agreement with the stand he took. But the minister did not answer the hon. member's question. I would ask him to tell us the attitude of the government with regard to encouraging the production of silver so that it may be exported to the United States.

Mr. ILSLEY: An application from the silver mining industry for assistance under this measure would be considered. If the industry is exporting silver and feels that it could obtain exchange for this country by increasing, with assistance, its exports, it would be possible within the letter and spirit of the proposed legislation for the government to assist it. Whether that would be economically desirable I am not prepared to say; it might or it might not. It would depend upon the facts.

Mr. REID: That does not quite answer the question. The proposition made last night was that the government give consideration to doing the same with regard to silver as we are doing with regard to gold, so as to lend encouragement to operators of silver mines, to give employment in Canada, and to provide Canadian dollars in the United States. The answer given just now by the minister in reply to the hon. member for Vancouver South is not exactly in keeping with the argument which I advanced last night.

Mr. ILSLEY: If the hon. member means, would the government give consideration to amending the Excess Profits Tax Act so that the same rules should apply to silver as apply

to gold, I think I can say that such consideration will be given. I am not in a position to say that I will introduce an amendment to that effect. The question was very fully considered last year, as to where the line should be drawn. We drew it between the gold mines and the oil wells, on the one side, and other extractive enterprises on the other. But we are prepared to consider at any time the location of that line. That is all I can say.

Mr. REID: That is well so far as it goes, but it does not answer my question. The question which was asked affects the argument under consideration at this moment. What we were asking was, would the same consideration be given to silver produced in this country, as regards being controlled by the mint and deposited in the United States under similar arrangements to those which apply to gold?

Mr. ILSLEY: I do not know. I will consider it, if the hon. member will write me outlining the respects in which he wants consideration to be given. I have talked already about two of these, one, in answer to the hon. member for Vancouver South, the other under the Excess Profits Tax Act. The hon. member has a third of which I am not aware, and if he will write to me I will consider it.

Mr. DIEFENBAKER: I am wondering whether or not the minister has considered the implications of this type of legislation. I protested against this last evening, and I am going to repeat my protest, because I think it applies even more to this type of legislation than to that which I objected to last evening. This amounts in effect to parliament granting to the governor in council the right to interpret statutes according to the needs of foreign exchange at the moment. Under the provisions of the war tax act and the Excess Profits Tax Act, statutory provision is made for the deductions that can be made for depreciation and so on; and what in effect parliament will do if it allows this resolution to pass is to give approval to the dangerous proposition that statutes shall be on the statute books but may be applied in such way as the governor in council may consider advisable in the interests of foreign exchange. That is what it does.

If the war tax act is not sufficient, amend it. If the Excess Profits Tax Act goes too far, and I am not arguing that at the moment, why should not the government take it upon itself to amend it? This resolution in effect allows the governor in council to relieve any individual or company from the law of the land, and I think this is a most serious matter. Surely there must be one law for all individuals and companies in this land. We have now come to the position where the government says, "We are going to leave on the statute book these statutes, the war tax act and the Excess Profits Tax Act, but we are going to make such orders in council as we deem necessary from time to time to relieve certain individuals, persons or companies from the application of the law of the land as set out therein."

I repeat my protest against this kind of legislation. I submit that its passage will create a dangerous precedent. It will destroy the rule of law. I realize that in time of war our people must give up some rights in the greater interests of the safety of the state, but I emphatically protest against legislation of this type, which will permit the executive to create inequalities under law in this nation. It allows the governor in council to say to one individual or company, "You shall operate under the law of the land," and to another individual or company, "You are to be relieved from operating under the law of the land." My submission is that this is a most dangerous principle, because the essence of law, whether in war or in peace, must be uniformity, certainty of application and reasonable definiteness. If we pass this type of legislation empowering the executive to enforce the law for one individual or company and relieve another from its application, we destroy the rule of law. We permit the law to be elastically applied and give to the executive power such as has never been asked of this house, nor, do I believe, of any other parliament.

Last night in reference to this very matter I asked why this type of legislation was being brought up, and the minister answered: "We had the power to act under the War Measures Act, because if ever there was a war measure this is one. We did not think, however, that that would be acting in the true spirit of the constitution. We thought that when parliament was here we ought to lay the matter before parliament and state what we intended to do." The minister nods agreement with that statement. "Does the minister contend that under the War Measures Act the executive of this nation had the right to say to one individual, "You shall pay the tax provided by the Excess Profits Tax Act," and to another individual, "You are relieved from it"?

Mr. ILSLEY: Yes.

Mr. DIEFENBAKER: The minister says, yes. I do not think the courts of the land

would ever uphold any government in discriminating, as the government would if it applied that principle.

Mr. ILSLEY: My hon. friend is aware that the Department of Munitions and Supply provides for the construction of plants by assistance to private companies—$500,000 to this, $1,000,000 to another, and $2,000,000 to a third—in proportion to the value which they think the enterprise has in the carrying on of the war effort. Is not that a much more important discrimination between companies than would be a tax concession or depreciation allowance in return for a specific service rendered, namely, the provision of foreign exchange?

Mr. DIEFENBAKER: That is quite a different thing.

Mr. HANSON (York-Sunbury): The plea of confession and avoidance under the old common law procedure.

Mr. DIEFENBAKER: It is a different principle, I submit. These are statutes which make certain provisions that apply to every person in the country, and what the government is now asking is that it shall have the power to relieve certain persons from the law to a greater or lesser extent. Against that type of legislation I protest.

Mr. COLDWELL: I warmly support what has just been said by the hon. member (Mr. Diefenbaker). It seems to me we are in danger of placing on the statute book provisions which become more or less window-dressing, because people do believe that taxes are to be imposed as laid down by parliament in the budget of last summer. If we give the power implied in the government's resolution we have nothing but dead letters which deceive a good many people. I believe that the point made by the hon. member has been well taken.

I was out for four or five minutes just now and I understand a question was asked by the hon. member for Edmonton East (Mr. Casselman). I should like to answer it. As I understand it, the question was whether I considered that farms should be subject to socialization by the state. My answer is, no. To-day farmers are being squeezed by the monopolies of which I have spoken. We believe that when an institution exploits society so that it becomes a matter for the protection of society, it should be taken over. The farmer, the producer, never makes a profit in the sense in which I have used the term profit, which is the residue left after all other costs including depreciation have been met. It is consequently a reward unearned which goes entirely to the ownership of capital.

Mr. CASSELMAN (Edmonton East): Was it only to monopolies the hon. member was directing his remarks?

Mr. COLDWELL: Monopolistic industries.

Mr. NICHOLSON: I take exception to this section 6. Last summer when the excess profits tax was imposed, the hon. member for Rosetown-Biggar (Mr. Coldwell) suggested that these mining corporations were already enjoying enviable profits. The Excess Profits Tax Act, according to the minister, allows them 20 per cent in excess of what they have enjoyed in the last few years. In view of the fact that we are appealing to all groups in Canada to make the fullest contribution to the war effort, I submit that the admission by the minister that there is some difficulty in getting some of these corporations to play their full part should warrant the government in carrying out the provision made under the National Resources Mobilization Act, section 2 of which provides:

> Subject to the provisions of section three hereof, the governor in council may do and authorize such acts and things, and make from time to time such orders and regulations, requiring persons to place themselves, their services and their property at the disposal of His Majesty in the right of Canada, as may be deemed necessary or expedient for securing the public safety, the defence of Canada, the maintenance of public order, or the efficient prosecution of the war, or for maintaining supplies or services essential to the life of the community.

If any difficulty is being experienced in getting the necessary foreign exchange the government should at once take action under the act. I strongly object to giving the government the wide powers asked for in section 6.

Resolution agreed to.

7. That any enactment founded on these resolutions shall be deemed to have come into force on the second day of December, 1940, and to expire on the date of the issue of a proclamation under the War Measures Act declaring that a state of war no longer exists or on such earlier date as may be fixed in a proclamation of the governor in council.

Mr. HANSON (York-Sunbury): Before this resolution carries, would the minister say, having regard to what has been said this afternoon, especially the remarks of the hon. member for Lake Centre, that the whole position will be reviewed between now and the

next budget? I realize that, if one wanted to do so, one could raise grave objections to this kind of legislation.

Mr. ILSLEY: Yes, I will do that.

Mr. HANSON (York-Sunbury): The whole question ought to be reviewed. And in the meantime will he provide members with the information as to what has been done under this resolution?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): Then in four months time we can review the whole position.

Mr. BLACKMORE: Before this resolution passes may I make two or three comments? In the first place I wish to associate myself with the minister in his observation regarding profits, and in his endeavour to manage matters so that industry can make a profit. It is to this question of profit that I wish to refer.

In the first place the minister, without knowing it, has begun, in these provisions to assure a fair profit, to move in the direction of social credit in respect of the just price. I am afraid that statement may not appeal to him, but after a while it will not look nearly so bad. I believe that before the war is over, before production is at the peak at which we all want it to be, the minister will have to go a great deal further than he has gone already. Either he or the Minister of Munitions and Supply has already gone a long way in another direction—that of advancing money to assist in the establishment of distinctive war industries. Let us take as an illustration—I have no other in mind at the moment—the ammonia plant which I understand is to be established in Alberta. If the government were unable to find a company that dared to risk its capital in the construction of an ammonia plant, they might say to the people concerned: Look here, we realize that the war may end in a year or two, and that if you put your money in this plant you may lose it; we are therefore prepared to help you bear the burden. We are ready to assume a certain amount of the risk; we will advance from government funds say half the total amount necessary for your capital expenditure.

Now, that is completely sound. It is something which has been done, is being done and will be done to a greater and greater extent before the war is over. What the government have undertaken to do there is to make productive loans. At the present time the government is either collecting that money from the people in the form of taxation, or borrowing it. But I contend very seriously that after a while it will come to be seen quite clearly that the money might just as well be created. If the money can be spent when it is borrowed, or when it is taxed, without causing inflation, it can be spent when it is created without causing inflation. This is an extremely important matter, which I think has not yet become clarified in people's thinking. But men are making good progress. I have a passage here from a speech by Mr. G. W. Spinney—I suppose he would have a nightmare if he knew I was referring to him in support of social credit—before the shareholders of the Bank of Montreal on December 3, in which he made a remark which shows a great advance towards modern concepts of money.

Having used this illustration, may I point out that the minister is pursuing a perfectly sound principle in advancing money free of interest as a loan, as a gift to a producer who is going to bring into being commodities which the government or the people will sorely need. I believe that the informed thinking people in Canada will support the minister in doing that. Common sense would say that if we need ammonia, let us have ammonia, and if we have to give the money to a company to get the ammonia, let us do it. That is sound thinking, as I think the ordinary person will agree.

The minister can go still further. He can arrange to allow the company that is producing the ammonia to buy its raw materials at a reduced price brought about by a direct payment by the government of part of the price of the goods being used by the company. I do not know just what is used in the production of ammonia, but if, for example, it were zinc, the government could arrange to see that the company got its zinc at, say, ten per cent below the market price.

I am sorry to be taking so much time, but the discussion has been extremely interesting and valuable; I have not thus far taken up much of the time of the committee, and I believe I have a message that is important in relation to the matter under consideration.

I was speaking of a discount on the price of raw material. Or the government might say: We will remit part of the cost by paying part of the freight rate on the raw material. That again would be of direct assistance to the company and an assurance that they would make a profit. Or the government might go further and remit the sales tax on the raw material in order to enable the company to sell its product at greater advantage.

All these matters are devices which are in the minds of social crediters as possible means of helping producers produce. As I said the other day, there is no nonsense to it; it is

just common sense in action, as will be clearly seen by anyone who takes the time to examine these proposals calmly and dispassionately and without prejudice.

I turn to the matter of conserving exchange. It is clear that the government should advance money to help produce ammonia, say, but it has perhaps not become clear that the government can afford to advance money to producers of other things, say wool, or shoes, which happen to be needed. If the government carry this process far enough to assist in the production of shoes, for example, they will enable the people who are producing shoes in Canada to produce and sell at such a low rate that people will buy Canadian shoes instead of shoes from the United States. They will prevent the importation of shoes made in the United States, and thereby conserve exchange.

Let me turn for a moment to the remark of the hon. member for Edmonton East (Mr. Casselman) the other night. I believe I was just a little discourteous to him—

Mr. McNEVIN: Will the hon. member tell us how many shoes are imported from the United States?

Mr. BLACKMORE: Well, if shoes are an unfortunate example, let us take something else. If the hon. member is asking a sincere question, very well; but if he is asking it just to interrupt me, it is another matter. Suppose we are importing carrots. If the government advanced money to help someone in Canada build a greenhouse in which to produce carrots so as to supply our winter market, the principle would be the same; it would prevent the importation of carrots and other vegetables from the United States and thereby conserve exchange. Once this idea is apprehended by the people we shall approach from an entirely different angle the matter of conserving foreign exchange.

Mr. McNEVIN: What would happen to the Canadian farmer if the United States did the same in respect to our cattle? We manufacture between ninety-seven and ninety-eight per cent of all our shoes.

Mr. BLACKMORE: The hon. member is asking a very good question but he is confused by the anomalies of our present system. He cannot tell to save his life what to do with the various commodities of which we now have a surplus, such as the wheat that the farmer of western Canada is producing in abundance. He raises these questions which confront us under our present system, whereby the country is cluttered up from end to end with unsalable products—in itself an indication that it is essential to have a change in the system. We could eliminate the consumption of foreign goods just as Canada could eliminate the buying of United States steel if the production of Canadian iron were promoted and our dependence on United States iron done away with. We can in large measure eliminate the need for United States exchange without raising any difficulties or doing anything which might be objectionable. We can also gradually increase our own production, thereby avoiding inflation; we can increase our home consumption, which will raise the standard of living among the people, make for prosperity and happiness, and give the government a greater taxing base, which is another thing much to be desired.

What I am about to say now may not appear to bear directly on the question under discussion, but certainly it does relate to it indirectly. If the adjusting is done with created money instead of with borrowed or taxed money, the strain on the Canadian people will be removed. The only question which arises is whether such action will cause inflation. Again let me say that if we can borrow money which would not ordinarily be spent, and spend it without causing a rise in prices, we can create the same amount of money and spend it without giving rise to inflation. I believe that is quite clear.

If we create the money we will avoid inflation provided that we take care to look for four things. First, we must see to it that we have plenty of goods; second, we must have a sufficient variety of those goods; third, we must have plenty of resources to produce more goods, and, fourth, we must have the planning which will supply a still greater variety and a greater abundance.

For example, let us consider the facts in connection with wool. We may have the fear that if we permit money to go into circulation the price of wool will go up. But if we produce more wool we shall have then approached the matter from an entirely different angle. We could increase the wool production of Canada to such an extent that the Canadian people could not begin to buy all the Canadian wool, and endanger a rise in price. Once the government approaches the problem from that angle it will have an altogether different outlook concerning the whole inflation situation, and will understand what I said the other day—that it is following a niggardly policy with respect to Canada. It is starving the Canadian people down, instead of stimulating them to the greatest possible production and to consumption which will give them the greatest possible strength in the contest upon which we have only entered.

I shall now turn to the matter of profits. As the hon. member for Edmonton East will

probably see, by following the proposals I was making the other day when I said we were living in an age of plenty, he would see that we would have plenty of foreign exchange if we had plenty of production of a sufficiently great variety at a sufficiently low price. So that the problem would be cleared up.

Mr. CASSELMAN (Edmonton East): Provided you could get the other country to buy your goods.

Mr. BLACKMORE: Yes, but if you could not get the other country to buy your goods you would have accomplished one great thing when you produced plenty and enabled your own people to buy them.

Mr. CASSELMAN (Edmonton East): What about the production of more wheat?

Mr. BLACKMORE: I shall come to that. That is one of the things confounding people to-day; Canadians do not see how to deal with it. Before I finish my speech I wish to deal with it, although it is not part of the subject of the debate. If the hon. member wishes to ask questions when I have finished my observations I shall be only too pleased to answer them, because I am not advocating anything that is not scientifically sound.

Social credit is simply a new order, that is all. It is a way by which we can raise revenue without dragging ourselves down into a state of niggardly scarcity, through which we are in danger of being defeated.

This question may be raised: Why did the Social Credit party support the Cooperative Commonwealth Federation in their attitude toward the taking away of money from people who had money to spare? I would draw the attention of the house to the fact that the amendment then under consideration said, in effect, "We will take a compulsory war loan, free of interest, according to ability to subscribe—"

The CHAIRMAN: I am sorry, but the hon. member cannot refer to another debate of the same session.

Mr. BLACKMORE: I bow to your ruling, and shall not continue along that line.

I agree with the minister when he says that under the present system it is necessary that companies must have a profit. There is no possibility of avoiding it, and there are several reasons why. Companies need to have a profit because, as has been pointed out, they are afraid of the aftermath of the war. When a man invests $100,000 in a plant, knowing that almost any day the war may come to an end and his market may be lost and his investment thereby jeopardized, he will of course require a sufficient profit.

Canada could organize on such a basis that producers would not demand exorbitant profits. If there were an arrangement whereby we could guarantee to the farmer that no more wheat would be produced than could be used, he would not be taking such a tremendous risk if he were to invest $10,000 in a farm. The same reasoning is true with respect to a company. If we could guarantee that production and consumption would be planned and that prices would be maintained at stable levels, with no fear of disastrous changes in tariff or of loss of trade as a result of which a man might be ruined, there would be no necessity for all these great profits which companies are now so eagerly trying to get.

In my view, under the capitalistic system, the profit motive is quite sound. The hon. member for Queens-Lunenburg (Mr. Kinley) spoke wisely: without profits we simply cannot get along under the capitalistic system. The minute we try to do so, production is stopped. The only way to induce production would then be by threat of punishment. If that were done we would have regimentation.

We want profit, but we do not want exploitation. I do not think my hon. friends of the Cooperative Commonwealth Federation would object to profit so long as there were no exploitation.

Mr. MacNICOL: Don't offer them any; they won't refuse it.

Mr. BLACKMORE: I think that is probably so. Perhaps my ideas are somewhat at variance with those of the hon. member for Rosetown-Biggar when it comes to a discussion of profits. But man has not yet found any effective incentive for production other than that of profit. It is dangerous to seek to abolish the profit motive. I believe the minister has realized that fact, and as a result he is now introducing these measures.

Mr. REID: It is part of our lives.

Mr. BLACKMORE: Yes, I would say it is. We must take the choice between profit and regimentation—and I do not for one moment favour regimentation. It is said that Lenin brought in the machine gun to take the place of the profit motive. Well, that was not a good thing; it immediately brought about a dictatorship. I believe you can encourage people to produce all you want them to produce. You can encourage them to sell at whatever price you wish to prevail, if you just manage the profit properly. The profit motive is the only way of preserving democracy, because the very minute you force a man to raise wheat or to work, for example, in a mine, you have destroyed completely democracy.

I believe we must contrive to give a fair profit, or one adequate to encourage production; there must be a profit for all—for primary as well as for secondary producers, for farmer as well as manufacturer.

May I turn once more to the observations of the hon. member for Queens-Lunenburg. As I understand the situation, there are two distinct classes of production. First there is the primary producer, such as the fisherman or the farmer, who, generally speaking, lives on his profit. But the man engaged in, we will say, machine manufacturing, does not necessarily live on his profit. His wages or his living are included in the cost which goes into the price of his output.

Mr. KINLEY: If he operates as an incorporated company.

Mr. BLACKMORE: Yes.

Mr. KINLEY: He creates another person, in law, to carry on his business.

Mr. BLACKMORE: Yes. We must bear in mind the fact that the farmer simply cannot live without profit, because that is all the living he has. How can the fisherman live without profit? He must make money. We must distinguish between the profit of the primary producer who lives on his profit, and the profit of the secondary producer who does not live on his profit. But the secondary producer uses his profit to pad and to protect himself against eventualities to come. Therefore he needs profit—in fact a rather large profit. Once we get that in our minds we can stop worrying about big profits and big industry. The iron industry is a war industry. The man conducting such a plant is constantly worrying over what he is going to do after the war is over. He is thinking of the day when iron will not be needed to kill men, when there will be a surplus of that commodity in the world. He wonders how he will be able to sell iron then.

What could happen was seen in the last war when sugar production was increased to such a tremendous extent that after the war there was more sugar than the people could use and the sugar producers were almost all ruined. The men who are conducting our war industries are certainly worrying about what is going to happen when they are not able to sell their products. The man engaged in war industry should be dealt with in a particular kind of way. He has his own money invested and there is the investment of his shareholders. These are the main reasons why he needs considerable profits. There should be a fair profit for both the primary and the secondary producer.

May I suggest once more that consideration be given to what is known as the social credit just price by the creation and wise use of money based upon the goods-and-services-producing-and-consuming-power of the country. For example, the amount of money which can be created and given to farmers in price modifications depends upon whether there are plenty of things that are used by the farmers which the farmers can buy with the money they earn. If there are, the money will not cause inflation. Again: The amount of money which can be created and advanced to railways as freight adjustments depends upon what commodities the railways will spend the money which they receive, and whether there are sufficient goods for which they can spend the money without causing a rise in prices. The railroads will buy coal. Is there plenty of coal? They will buy oil. Is there plenty of oil? If there is plenty of oil and plenty of coal, there will be no rise in the prices of those commodities. As soon as we begin to look at the matter in this way, the dread of social credit proposals will be removed immediately.

To sum up, I agree completely with the minister when he says that there must be a fair profit. Measures must also be taken to help the producers not only to produce all we want, but to produce it at prices that will give the producers, both primary and secondary, a return for their production.

Mr. CASTLEDEN: It is to be regretted that in the dying minutes of this part of the session we should have to consider such important legislation as this is embodied in this resolution. We spent weeks and days in the last session discussing the budget and amending the Income War Tax Act and the Excess Profits Tax Act, but by this one resolution practically the whole thing is being wiped out in that it places within the power of the governor in council the right to discriminate and grant special privileges.

The CHAIRMAN: I did not want to interrupt the leader of the social credit group, but the fact is that we are now discussing resolution 7.

Mr. JOHNSTON (Bow River): Resolution 6 has not been passed.

The CHAIRMAN: Resolution 6 has been agreed to.

Some hon. MEMBERS: No.

The CHAIRMAN: I should know whether it has been carried. Resolution 6 has been carried and we are now discussnig resolution 7.

Mr. BLACKMORE: We were under another impression.

The CHAIRMAN: Unless the committee is willing that the hon. member should revert to resolution 6, he will have to address his remarks to the subject matter of resolution 7.

Mr. CASTLEDEN: Mr. Chairman, I have been waiting to speak on resolution 6. At the time you said that this resolution was agreed to, there were two hon. members on their feet.

The CHAIRMAN: Resolution 6 has been carried.

Mr. CASTLEDEN: I think this resolution places the people of Canada in a precarious position.

The CHAIRMAN: Unless the hon. member secures the unanimous consent of the committee to revert to resolution 6, he cannot discuss this matter.

Mr. CASTLEDEN: I call upon the committee to give its consent to my reverting to resolution 6.

The CHAIRMAN: Is it the pleasure of the committee that the hon. member shall have permission to revert to resolution No. 6?

Mr. ILSLEY: I am inclined to think we should give the hon. gentleman a chance to speak. If there has been a misunderstanding, I think this permission should be granted. I thought of raising the point when the hon. member for Lethbridge was talking, but there seems to be some misapprehension in that corner of the house. I think we shall get along more quickly if we let these gentlemen say what they have on their minds.

The CHAIRMAN: Is the committee willing to give unanimous consent to the hon. gentleman reverting to resolution 6?

Some hon. MEMBERS: Yes.

Mr. CASTLEDEN: The trouble that I see in connection with this legislation is that it is bound to lead to some form of discrimination. An individual, partnership or corporation may be granted assistance by way of special tax credits or special allowances for depreciation or depletion under the Income War Tax Act. It seems to me that every company in Canada will be asking for this. These companies will be compelled to ask for favours from the administration, and I do not see how certain businesses can continue to exist in such an atmosphere. Already the government has taken certain representatives of big business into some of the departments, and it seems to me that the natural result of this legislation will be increased lobbying. There will be a disgraceful scramble for special concessions, and the successful lobbyists will be able to wipe out any opposition.

This creates a monopoly, and industries in less favoured parts of this dominion may suffer considerably. The resources of Canada are owned in a large part by monopolistic organizations. They own and control much of the machinery of production. Owning the natural resources of this country and having control of production, they are able to tell the primary producer what he shall get for the commodity he raises and can dictate to labour what it shall receive.

Mr. MacNICOL: Will the hon. member name just one monopoly?

Mr. CASTLEDEN: The oil industry and the power industry in eastern Canada.

Mr. MacNICOL: We have the hydro electric power commission in Ontario which is not a monopoly, but a public utility.

Mr. CASTLEDEN: Beauharnois and Montreal Light, Heat and Power company.

Mr. DOUGLAS (Weyburn): Nickel is a world monopoly.

Mr. CASTLEDEN: Also the General Electric Company of America. Many businesses can continue only upon the condition of their claims being favourably considered by government officials. I cannot see how justice can exist in such an atmosphere. I cannot see how we can continue to sit in this house and favourably consider legislation which will grant one kind of treatment to one group of people and give special privileges to another. It will be a sad day for the people of Canada if this thing should continue any further.

Mr. JOHNSTON (Bow River): Mr. Chairman, I do not intend to speak at any length on this matter, but I wish to point out to the government that perhaps they should spend a little time in reading the remarks of the hon. member for Lethbridge (Mr. Blackmore). If that were done—and I say this advisedly—then as far as I am concerned there would be no objection to this resolution passing. As it now stands, however, I am definitely opposed to it because in my opinion it is class legislation. I think the minister must acknowledge that this is just another belt-tightening process and it will be something that will bear most heavily upon the common people. There is to be an increased price for washing machines, but I do not think anyone ever bought a washing machine as a luxury. When you begin to increase the price on articles such as this, you just make it that much more difficult for the common people. This resolution reads:

That the governor in council in order to increase Canada's supply of foreign exchange—

There are many other ways of increasing our supply of foreign exchange, as the hon. member for Lethbridge pointed out.

—may, on the recommendation of the Minister of Finance, enter into agreements with individuals, partnerships or corporations—

I fancy that the minister has not in mind the agricultural or fishing industries, and I am sure that he has not in mind the fruit growers. If this is to be class legislation, then it is definitely wrong.

—to grant assistance by way of special tax credits and/or special allowances for depreciation or depletion under the Income War Tax Act and the Excess Profits Tax Act—

There is a great danger in these depreciation allowances.

—if, in the opinion of the governor in council, such assistance is necessary in order that an expansion of the exports of any individual, partnership or corporation receiving such assistance may take place.

According to the minister himself, these large corporations are making an excess profit of 20·4 per cent, so that besides making their regular profit over the base period, and an additional 20·4 per cent, we are going to grant still further concessions to them. Immediately following the resolution is a long list of items with regard to which the common people will have to tighten their belts a little more, so that they will really appreciate that we are at war. I really fear the outcome. This type of legislation is not going to stimulate patriotism; it is going to create dissatisfaction among those who joined the army because of economic insecurity, and it is not conducive to the creation of unity in Canada, which we so greatly need at this time.

We talk of equality of sacrifice and service. I am in favour of that principle, and I am convinced that if there were an indication to the public, even to the members here, that there was going to be equality of sacrifice and service for all classes and every part of Canada, such a step would do much to promote unity. But at a time when agriculture, fishing, and coal mining are not making the profit they did before; when many of the workers in those industries are still unemployed, and when the cost of living is going up for the common people, the government brings down legislation like this favouring the big industries still further. I recommend to the minister that he give close scrutiny to the speech which has just been made by the hon. member for Lethbridge.

Resolution agreed to.

On schedule 1.

Customs tariff—20. Cocoa paste or "liquor" and chocolate paste or "liquor," not sweetened, in blocks or cakes.

Mr. ILSLEY: There are amendments, Mr. Chairman, to some of the items so we shall have to take the schedule item by item.

Mr. HANSON (York-Sunbury): Items 20 to 23 inclusive are the cocoa items. Do we import much?

Mr. ILSLEY: Imports from non-empire countries during the calendar year 1939 amounted under item 20 to $2,000; under item 21, $9,000; under item 22, $215,000; and under item 23, $42,000.

Mr. HANSON (York-Sunbury): They are important items.

Item agreed to.

Items 21, 22, 23, ex 45, 46, 65, 66, 67, 78, 79, 79a, 79b, 82(d), 82(e), and 85 agreed to.

Customs tariff—89. Vegetables, prepared, in air-tight cans or other air-tight containers:
(a) Beans, baked or otherwise prepared.
(b) Corn and tomatoes.
(c) Peas.
(d) N.o.p.

Mr. CRUICKSHANK: Is any provision being made to protect the farmer in Canada, particularly in British Columbia, who is producing vegetables and small fruits?

Mr. ILSLEY: This item refers to vegetables, prepared, in cans, and not to fresh fruits and vegetables, which have not been prohibited for the reason I gave in the speech I made to the house.

Mr. CRUICKSHANK: Is the minister aware of the fact that while pears are rotting on the ground in British Columbia, pears are being imported into that province from the United States to be canned and preserved?

Mr. ILSLEY: I was not aware of that.

Mr. HANSON (York-Sunbury): This item deals with vegetables.

Mr. CRUICKSHANK: When I have to take my instructions from the leader of the opposition it will be a sad day for this house. I am not prepared to let this item carry yet. I stated that pears are being imported into British Columbia to be canned while our own pears are rotting on the ground, and I ask the minister if provision will be made to prohibit these importations from the United States.

Mr. ILSLEY: We are taking no power under this legislation to prevent the canning of fruits and vegetables.

Mr. CRUICKSHANK: Why not?

Mr. ILSLEY: This is a measure for the conservation of foreign exchange, and we have put in the schedule the items we think should be there. I gave the other day the reason why we are not prohibiting the importation of fruits and vegetables.

Mr. CRUICKSHANK: I heard the minister speak this afternoon and he used the words—I have them exactly—"reserves for companies for future use". That was in reference to industrial concerns. In other words, industries producing shells or other essentials for war purposes ought to be allowed a reasonable profit and to prepare for the future. I would ask the minister if he honestly thinks there is any industry more necessary than agriculture. Is the farmer not to be protected, not only for the future but for to-day? I am telling the minister that pears from the United States are being dumped into British Columbia, and canned and preserved. I am speaking for the British Columbia farmers in my riding, and I am asking the minister how he can account for the fact that pears are imported from Washington and Oregon to be canned in the Fraser Valley ridings?

Mr. ILSLEY: All I can say is that the matter has been gone into fully, previously in the debate.

Mr. CRUICKSHANK: Then I ask the minister, has the government any intention of making any provision to take care of these farmers?

Mr. ILSLEY: For what?

Mr. CRUICKSHANK: Has the government any intention of making any provision to take care of all these farmers in the Fraser Valley riding who are now losing their farms owing to the fact that fruit from the United States is being dumped into British Columbia?

Mr. ILSLEY: Not in this bill.

Mr. COLDWELL: I wish to ask, arising out of this, in the event of fruit being brought in from Washington and canned in British Columbia, is it distinguishable as a Canadian or a United States or a British empire product? How is it marked? Is there any way of getting a mark on it?

Mr. ILSLEY: Yes. If it has a certain British empire content, it has the advantage of the British preference in entering such other parts of the British empire as give special preferential rates. On account of war conditions, I do not know how important the trade is now.

[Mr. Ilsley.]

Mr. COLDWELL: Is there any check on that?

Mr. ILSLEY: Yes; there is the check of the investigators of the Department of National Revenue. They have auditors specially qualified in the determination of British empire content.

Item agreed to.

Item 90 agreed to.

Customs tariff—ex 99b. Apples, dried, desiccated, evaporated or dehydrated.

Mr. LAPOINTE (Quebec East) moved:

That item ex 99b be amended to read as follows: Apples, dried, desiccated, evaporated or dehydrated (not to include apple pomace imported for use in Canadian manufactures).

Mr. ILSLEY: The reason for that is that it is necessary for the preservation and continued operation of the pectin industry to import some apple pomace from the United States.

Mr. HANSON (York-Sunbury): We do not make it here?

Mr. ILSLEY: Some is made in Canada, but not enough, and such as is available has to come such distances that it is not an economic proposition.

Mr. HANSON (York-Sunbury): It is not a large item anyway.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—99f. Figs, dried.

Mr. COLDWELL: Figs are used quite largely by parents, sometimes for health purposes, for children. Is there another large source of supply?

Mr. ILSLEY: I am not aware that there is. The whole of the imports of figs comes from non-empire countries—$217,000 worth last year. Whether there is an alternative empire source, I do not know.

Mr. HANSON (York-Sunbury): Palestine?

Mr. ILSLEY: It may be that there is a sterling area source. I am not aware of it.

Item agreed to.

Item ex 99g agreed to.

Customs tariff—ex. 101. Mandarins and tangerines.

Mr. GREEN: Does that cover what are commonly known as Japanese oranges?

Mr. ILSLEY: Yes.

Mr. GREEN: Have the government, under their special powers, any intention of allowing any Japanese oranges to come in at this time, or is this prohibition to be a real prohibition?

Mr. ILSLEY: There is no intention of letting them in at all. I do not know just what the arrangements are regarding those ordered and to come within a certain time. That is a matter of detail in the hands of the Minister of National Revenue. But, subject to that, undoubtedly these are to be prohibited and no licences granted.

Mr. GREEN: It is practically all a Christmas trade, and I should like to know.

Mr. ILSLEY: Well, I do not know.

Mr. GREEN: I should like to know whether this Christmas supply is to be allowed in.

Mr. HANSON (York-Sunbury): They are all in now.

Mr. ILSLEY: I do not know.

Mr. COLDWELL: I understand that citrus fruits from the United States are allowed to come in.

Mr. ILSLEY: All except mandarins and tangerines.

Mr. COLDWELL: We exclude mandarins and tangerines from the United States as well as other countries?

Mr. ILSLEY: Yes.

Mr. CRUICKSHANK: I should like to ask the minister a direct question, will what are known as Japanese oranges be permitted to enter Canada this year?

Mr. ILSLEY: I have to get the information from the Minister of National Revenue. I find that there is a customs bulletin affecting not only mandarins and tangerines, but everything, to this effect:

> Goods ordered prior to December 2, 1940—
> Goods which were ordered prior to December 2nd, and which arrive at the customs port of destination on or before February 28, 1941, will be admitted under general permit No. G-1. Full information, supported by a certified copy of the purchase order and such other documentary evidence as may be required, shall be presented to the collector. . . .

All precautions are taken to see that the order is bona fide. Therefore, if the mandarins or tangerines were ordered prior to December 2, and the order accepted, and if they come in prior to February 28, 1941, they will be admitted under this ruling of the national revenue department.

Mr. CRUICKSHANK: Has the government power under the War Measures Act to overrule any order, so-called, that was passed before December 2, and cancel it? If so will they do so?

Mr. ILSLEY: My opinion is that they have the power. My answer to the second part of the question is that they will not do so.

Mr. GREEN: What is the value of imports of Japanese oranges this year?

Mr. ILSLEY: I cannot give the hon. member the information. My information is that imports from Japan are much smaller than formerly, although there are substantial shipments of mandarins and tangerines from the United States this year; they are much larger than in former years.

Mr. GREEN: I understand that the bulk of importations from Japan come through the United States, or at any rate, that they have to be paid for in United States currency.

Mr. ILSLEY: That is so.

Mr. GREEN: What permits have been given for the purchase of United States exchange to buy these oranges? There has been a great agitation about this on the coast—

Mr. ILSLEY: I know.

Mr. GREEN: —and the information would be most desirable.

Mr. ILSLEY: I know there has been a great agitation about the matter, and I believe that, as a result, the orders have been very much smaller than usual. I have no information about exchange. It would take some time to trace that down, and I am told it is information which is extremely difficult to get. It is much easier to get the facts as to imports than it is to get the amount of exchange which has been made available for payment of those imports. It involves, I understand, the examination of every individual transaction to find out whether it was paid for in United States exchange or not. There is such a thing as paying for imports with Canadian exchange, the money remaining in this country.

Item agreed to.

Customs tariff—102. Limes.

Mr. FULFORD: Why are limes included in this list? Limes form a part of the diet of the British navy and have done so for one hundred and fifty years. One reason why British sailors are known as "limeys" is the fact that they use so many limes.

Mr. ILSLEY: They are available from British empire sources. The bulk of imports of limes have come from empire countries.

In 1939 we received $6,000 worth from non-empire countries and $23,000 from empire sources.

Item agreed to.

Items 103 and 104 agreed to.

Customs tariff—104a. Fruit pulp, other than grape pulp, not sweetened in air-tight cans or other air-tight packages.

Mr. CRUICKSHANK: Will the minister give an explanation of this item?

Mr. ILSLEY: All I could do by way of explanation would be to read the item.

Mr. CRUICKSHANK: I have heard so many different explanations.

Mr. COLDWELL: Why is grape pulp prohibited under this item?

Mr. ILSLEY: This simply follows the wording of the tariff item.

Mr. COLDWELL: I was wondering whether grape pulp was excluded because it is used in the wine-making industry.

Mr. ILSLEY: It is not excluded here for that reason.

Mr. COLDWELL: Only for the reason that these items follow the tariff?

Mr. ILSLEY: Yes.

Item agreed to.

Items 105, 105a, 105b, 105c, 105d, 105e, 106, 107 and 108 agreed to.

Customs tariff—109. Nuts of all kinds, n.o.p., including shelled peanuts, n.o.p.

Mr. BLACKMORE: Does the minister think there are sufficient sources of supply in the British empire to warrant this item? Some people must have nuts to provide the necessary protein.

Mr. ILSLEY: British India will be able to supply us with walnuts and cashew nuts, but to a large extent Canadians will have to do without these high-priced luxury nuts. The opinion is that this sacrifice is fully justified by the emergency. China and India are the principal sources of green peanuts. Coconuts and non-edible nuts are not listed.

Mr. BLACKMORE: What about almond nuts? Are there sources of supply in the empire?

Mr. ILSLEY: They do not come from other parts of the empire. They are all from non-empire countries and are prohibited.

Mr. BLACKMORE: I mention this because there are people who are definitely unable to get the necessary proteins from any other source, and it will be a great hardship on them unless some provision is made to meet their situation. Perhaps for the sake of health, provision could be made for the granting of a licence to obtain nuts where necessary. One person told me the other day that he would have to leave the country if he could not get nuts because he is so constituted that other kinds of proteins do not agree with him.

Item agreed to.

Item 114 agreed to.

Customs tariff—121. Fish preserved in oil, n.o.p.

Mr. CRUICKSHANK: It seems to me that the farmer has been the fish all his life. There is no provision being made to protect farmers, is there?

Mr. ILSLEY: None is being made in the present proposals.

Mr. CRUICKSHANK: Is it intended to make any?

Mr. ILSLEY: It is not the intention to make any alterations.

Mr. CRUICKSHANK: Why not?

Mr. ILSLEY: For the reasons already given.

Mr. HANSON (York-Sunbury): Does this item mean that we shall have no more Norwegian sardines?

Mr. ILSLEY: Norway is enemy-occupied territory.

Item agreed to.

Items 123, 123a, 124, 125, 126, 127, 128, 141, 143, 143a, 144, 145, 146, 147, 147a, agreed to.

Customs tariff—150. Lime juice and fruit juices, fortified with or containing not more than 25 per cent of proof spirits.

Mr. GREEN: Does this include orange juice and grapefruit juice, or are they allowed to come in?

Mr. ILSLEY: Grapefruit juice is permitted entry under another item. Orange juice as such is prohibited.

Item agreed to.

Item 151 agreed to.

Customs tariff—ex 152. Lime juice, fruit syrups and fruit juices, n.o.p. (but not including grapefruit juice).

Mr. BRUCE: The other day a question arose as to the relative vitamin content of orange juice and tomato juice. In order to clarify the situation, so that there might be no mistake either in this house or among the Canadian people, I got in touch with Doctor

Tisdall in Toronto. I can now give the exact result of an investigation made in the laboratory of the department of paediatrics in the university of Toronto, which is under the direction of Doctor Alan Brown, who has associated with him an eminent nutrition expert, Doctor F. F. Tisdall. The result of their investigation will be found in the June, 1940, issue of the *Canadian Hospital,* in which is given the total vitamin C content—vitamin C I should explain is ascorbic acid—as determined by chemical means, of various fresh and canned juices which were bought at retail in Toronto during the winter of 1939-40. The ascorbic acid (vitamin C) content is given in milligrammes per 100 cubic centimetres and per ounce, together with the milligrammes of ascorbic acid purchasable for one cent.

The vitamin C or ascorbic acid content of citrus juice varies considerably in the different varieties. In the table given, the content of vitamin C in one ounce of canned California orange juice is 11·3 milligrammes. In the best brand of sieved canned tomato juice it is 6·9 milligrammes. It takes, therefore, only a little over one and a half times as much tomato juice to get the same amount of vitamin C as there is in California orange juice. It will therefore be seen that the statement made by an hon. member the other day that it would take twenty times as much tomato juice is not correct. The juice of sieved Canadian canned tomatoes is as economical a source of ascorbic acid or vitamin C as the juice obtained from fresh California oranges, and also as useful for health as grapefruit juice or any other citrus fruit juice.

I think it will only be necessary to call the attention of the Canadian public to this fact in order to have them make a much wider use of tomato juice than they are now making, and also to enable them as a war measure to discontinue the use of orange or grapefruit juice and substitute in its place a home-grown product which will not only be as healthful but also be of advantage by conserving foreign exchange.

Just to complete this statement, I should say that because it does require a slightly larger bulk, for very young infants grapefruit juice or orange juice would be preferable. But that will be only a very small part of the requirements of the country.

Mr. REID: Is the vitamin content of all oranges the same as that quoted?

Mr. BRUCE: It varies slightly. I have the list here, but I did not think I should trouble the committee with the complete story. It is all to be found in *Canadian Hospital* for June, 1940. It varies with the oranges; Florida oranges are slightly richer in vitamin C than those from California, and the same with regard to grapefruit juice, but by only a small amount.

Mr. CRUICKSHANK: May I ask the hon. member a question, because it may help me in voting. What vitamins are to be found in item 156a?

Mr. MACKENZIE KING: May I interrupt the proceedings for a moment to ascertain the sense of the committee on the question of continuance of the present discussion. I believe it is more or less hoped and expected that it will be possible to reach adjournment of the house to-night until February 17, so as to avoid the necessity of hon. members coming back on Monday. If that were not within the realm of probability, I would not suggest what I am about to suggest.

If hon. members are agreeable, it might help to ensure that end if consent were given to continuing the discussion in committee of ways and means by running on at six o'clock—

Some hon. MEMBERS: Carried.

Mr. MACKENZIE KING: I notice many appear to be in favour of this and I hear none to the contrary. If that be the situation, I should wish to have His Honour the Speaker in the chair in order to move that there be no intermission between the hours of six and eight o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: I move that there be no intermission between the hours of six and eight o'clock this day.

Motion agreed to.

WAYS AND MEANS

WAR EXCHANGE CONSERVATION ACT, 1940

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

Customs tariff—ex 152. Lime juice, fruit syrups and fruit juices, n.o.p. (but not including grapefruit juice).

Mr. McNIVEN: Citrus fruits are admitted into this country, but as I understand this item, orange juice, lemon juice and lime juice are to be excluded?

Mr. ILSLEY: Yes.

Mr. McNIVEN: Has the minister considered the industries that are carrying on the manufacture of carbonated beverages? In these products fruit juice syrups form a very small part of the cost of the completed

product. There are a number of such industries throughout Canada; there are several in my own province. They import the concentrated syrup and turn out a manufactured product. The cost of the beverage is small; the manufacture is largely labour, and the other ingredients are obtainable in this country. But the concentrated syrups are essential for the continuation of this business. Has the minister considered the position he is putting that business in?

Mr. ILSLEY: I do not know that consideration has been given to the welfare of those particular businesses; the matter has been dealt with on different principles from that. Grapefruit juice has been left in because we are informed that it is the cheapest way of getting the vitamins required from fruit juices. Therefore, for the health of our population, we are permitting the import of grapefruit juice, and that is all that is necessary really in addition to tomato juice. From the point of view of health it might be a bad thing to shut out this cheap grapefruit juice which is an economical way for poor people to get vitamins, but to permit the importation of a variety of juices in order to keep people who use them in carbonated beverages in business, I do not think is a sufficiently important consideration to be taken into account in view of more important matters.

Mr. HANSON (York-Sunbury): Good spring water is better for us.

Mr. McNIVEN: Would the minister consider making the same amendment he made to another item a moment or two ago, and permit the importation when brought in by manufacturers for use in their own plant?

Mr. ILSLEY: No; this is not necessary. These carbonated juices are not necessary. There are substitutes in Canada which are quite good enough. In this instance there is no question of going without fruit. There would be no harmful effects upon the population.

Item agreed to.

Items 153, ex 156, 156a, 160 and ex 162 agreed to.

Customs tariff—163. Wines of all kinds, n.o.p., including orange, lemon, strawberry, raspberry, elder and currant wines, containing 26 per cent or less of proof spirit, whether imported in wood or in bottles.

Mr. ILSLEY: My colleague will move an amendment to this item.

Mr. McLARTY: I move:

That item 163 be stricken out, and the following substituted therefor:

"163. Wines of all kinds, n.o.p., including orange, lemon, strawberry, raspberry, elder and currant wines, containing 40 per cent or less of proof spirit, whether imported in wood or in bottles."

Mr. ILSLEY: This amendment is for the purpose of making absolutely clear that all wines dutiable under item 163 and the addendum thereto are prohibited. Item 163, which was quoted verbatim in the original resolution, provides for wines containing 26 per cent or less of proof spirits. The addendum provides for additional duties on wines from 26 per cent to 40 per cent proof spirits. Wines over 40 per cent proof spirits are classified under item 156. The effect is to shut them all out.

Mr. HANSON (York-Sunbury): If it were left at 26 per cent, it would not cover those between 26 per cent and 40 per cent?

Mr. ILSLEY: That is correct.

Amendment agreed to.

Item as amended agreed to.

Customs tariff—165. Champagne and all other sparkling wines.

Mr. HANSON (York-Sunbury): I suppose the minister knows that there are at present substantial quantities of these champagnes and wines in the country. I believe there would be enough to supply us for a couple of years. The department would have information about quantities on hand. Will there be any prohibition against taking these wines and champagnes out of bond?

Mr. ILSLEY: In customs bond?

Mr. HANSON (York-Sunbury): Yes; most of these commodities are taken out from time to time from bonded warehouses. The liquor commissions take them from the bonded warehouses as they need them, and pay for them in that way.

Mr. ILSLEY: That matter would come under the supervision of the Department of National Revenue—so long as delivery is taken on or before February 28.

Item agreed to.

Items 181a, ex 184d, ex 169, ex 170, ex 171, 194, 195, ex 197, ex 197b, ex 198, ex 199, ex 181 and ex 509 agreed to.

Customs tariff—228. Soap powders, powdered soap, mineral soap, and soap, n.o.p.

Mr. HARRIS (Danforth): What proportion comes from sterling countries now, as compared with what comes from hard-currency countries, under item 228?

Mr. ILSLEY: In 1939, $145,000 worth came from non-empire countries, and $92,000 worth from empire countries.

Mr. HARRIS (Danforth): Are those non-empire countries hard-currency countries?

Mr. ILSLEY: Roughly speaking, that is correct.

Item agreed to.

Items 233 and 234 agreed to.

Customs tariff—284. Drain pipes, sewer pipes and earthenware fittings therefor, chimney fittings or vents, chimney tops and inverted blocks, glazed or unglazed, n.o.p.; earthenware tiles, n.o.p.

An hon. MEMBER: Does that include wall tile for bathrooms?

Mr. ILSLEY: They would be included in one or the other of items 284 and 285.

Item agreed to.

Items 285, 287, 288, 289, 323, 326(ii), ex 353, ex 353a, 362, 362b, ex 415, 415a, ex 415b, 425, 429, 433, ex 438a, ex 438g, 439, ex 439b, ex 440a, 440j, ex 443, 444b, ex 445, ex 445d, ex 445j, 450, 451e, ex 462, 465, and 468 agreed to.

Mr. ILSLEY: I would ask my colleague to move an addition at this point.

Mr. McLARTY: I move:

That schedule 1, part I of the resolution be amended by adding to the said schedule the following item:

"ex 473a, ex 475, ex 472, ex 180, ex 180d, ex 181, et al. Printing plates of all kinds, copper or other shells, matrices, positive or negative films, transfers, proofs, illustrations, covers, inserts or other printed matter, for use in connection with the production of the publications covered by item ex 184d et al of this schedule which were not printed in Canada during the three months immediately prior to December 1, 1940."

Mr. ILSLEY: A number of publications are prohibited under item ex 184d. I believe it would be possible to have printed in Canada a number of magazines known in the trade as pulps. The publishers would simply have to transfer their plates from the United States to Canada, and print them in this country. This is to shut out the matrices, and thereby prevent that from being done. The justification is that it would involve a heavy expenditure of exchange to bring in those matrices. There is the further consideration that there does not seem to be much point in debarring the periodicals, if the difficulty can be overcome simply by moving their place of business.

Amendment agreed to.

Item ex 473a, ex 475, ex 472, ex 180, ex 180d, ex 181 et al agreed to.

Items 508, 511, 511b, 512, 514, 515, 518, 519 and ex 532 agreed to.

Mr. ILSLEY: I will ask my colleague to move an amendment in substitution for item ex 532, ex 548, ex 555.

Mr. McLARTY: I move:

That schedule 1, part I of the resolution be amended by striking out item ex 532, ex 548, ex 555 and substituting therefor the following:

"ex 532, ex 548, ex 555. Articles made from woven fabrics and textile manufactures, wholly or partially manufactured, composed wholly or in part of cotton, flax, wool or other textile fibres, as specified, namely: sheets, blankets, quilts, counterpanes, bedspreads, comforters and other bed coverings; hassocks, pillows, cushions, including pin-cushions filled or not, pillow-cases, cushion covers and similar articles; tablecloths, napkins, tray cloths, dresser scarves, doilies and similar articles; diapers; towels, wash cloths, bath mats, bathroom mats, seat covers, curtains, drapes, window runners, decorative panels and similar articles; automobile rugs, steamer rugs and similar rugs or coverings; canopies, awnings and tents; removable coverings for automobile and furniture upholstery; textile manufactures composed in part of embroideries or lace."

Mr. HANSON (York-Sunbury): The only difference is the deletion of the words "except silk and artificial silk or other synthetic fibres." That is the effect of the amendment. Artificial silk or other synthetic fibres are now included in the prohibition.

Mr. ILSLEY: This is purely a technical matter. They are already included in another item, and it is not necessary to have them in this item.

Mr. HANSON (York-Sunbury): It is simply taking them out of this item. This item can be carried without amendment, the amendment being to the next item.

Mr. McCANN: When the hon. member for Parkdale (Mr. Bruce) was speaking a few minutes ago, he made reference to a statement which I had interjected when the leader of the opposition (Mr. Hanson) was speaking. According to the very sheet from which he quoted I submit that he deliberately failed to give the committee the proper information. Either that, or he and I were speaking of two entirely different matters. The information on the sheet from which he quoted, which information he failed to give the committee, is to the effect that in the case of canned tomatoes the juice is obtained by a thorough rubbing through a sieve. The remark which I interjected the other day when the leader of the opposition was speaking was that it took twenty times the quantity of ordinary tomato juice as sold in cans to produce the same amount of vitamin C as is produced by orange juice sold in cans. That statement still holds good. The figure given by the hon. member for Parkdale had to do

with specially prepared tomatoes which were put through a sieve. From his point of view his statement may be correct, but from my point of view my statement is equally correct.

Mr. HANSON (York-Sunbury): You just did not mean the same thing.

Amendment agreed to.

Item ex 532, ex 548, ex 555 as amended agreed to.

Item 532a, ex 548 agreed to.

Item ex 548 agreed to.

Customs tariff—ex 555. Clothing and wearing apparel, wholly or partially manufactured, composed wholly or in part of wool or similar animal fibres, but of which the component of chief value is not silk nor artificial silk, n.o.p.

Mr. POTTIER: It seems to me that this is a good item under which to bring up a matter of overcoats. Yesterday the hon. member for Cumberland (Mr. Black) brought up a similar matter before the committee, and he is reported as follows on page 700 of *Hansard:*

Last week I was driving home from Amherst to Oxford and Pugwash and I overtook a soldier. He wanted to get home to his family in Oxford. I asked him where his overcoat was and he said that none had been issued to him. I suggested that he must be an exception and he assured me that there were 200 men in the North Nova Scotia Highlanders who had not yet been given greatcoats.

There were communications with Colonel Murdoch, the officer commanding the North Nova Scotia Highlanders stationed at Amherst, and he advises that all of his men are equipped with greatcoats except twelve who are of abnormal size, and that action has been taken to furnish coats to those twelve and they will be provided with them within three days. That is quite a different matter from 200 men being without greatcoats.

Mr. BLACK (Cumberland): Since the hon. member for Shelburne-Yarmouth-Clare (Mr. Pottier) brought up this matter, I should like him to complete his report and inform the committee whether this statement was of November 30, the date to which I referred. With the weather we have had in the last few days, I certainly hope that these men have been fitted out with greatcoats, especially when there are 411,000 of them on order.

Item agreed to.

Items 560, 560a, 560b, 560d, 560e, 562, 564, 565, 567, 567a, 568, 568a, 568b, 568c, ex 569(i), ex 569(ii), ex 569(v), 569a(i), 569a(ii), 569d, 578, 597, ex 597a, and ex 598 agreed to.

Customs tariff—598a. Brass band instruments, of a class or kind not made in Canada; bag pipes and complete parts thereof.

[Mr. McCann.]

Mr. REID: Why should this item be included here when the fact is no bag pipes come from the United States? I would have thought that bag pipes would be included in item ex 597a which covers musical instruments of all kinds. I raise this question because there is a growing sentiment among some of the officials of the department and among certain officers in the service forces which is quite prejudicial to these instruments. I am doing what I believe is right on behalf of a race which is just as proud of its lineage as any other in this country.

Mr. HANSON (York-Sunbury): Is it not a fact that none come in from the United States?

Mr. ILSLEY: I think that is correct.

Mr. HANSON (York-Sunbury): Is it not a further fact that a great number of the articles enumerated in this schedule do not come from the United States at all and that they are more or less window-dressing? A large number of these items refer to commodities that we do not get from hard-currency countries. These look much more impressive than they are, but on the whole they amount to a substantial quantity. When the minister gets through, I am going to ask him to be good enough to give the sum total of importations in, say the last fiscal year, under the items covered by part I of the schedule. Then we can appreciate the magnitude of the changes.

Mr. ILSLEY: The total was $53,000,000.

Mr. HANSON (York-Sunbury): But there are in the schedule many items of which we import nothing, and the item of bag pipes is perhaps the best illustration.

Mr. ILSLEY: We took the exact wording of the items in the customs tariff. Some parts of those items, like this one, would be a dead letter I have no doubt, but the reason for taking the wording of the present items is that the customs collectors have had long experience and are guided by a large number of rulings as to what comes within any particular item.

Mr. HANSON (York-Sunbury): I quite agree. May I ask, with reference to item 598, whether we make band instruments in Canada. We are starting up a number of bands for the soldiers.

Mr. ILSLEY: We make a few in a small way.

Mr. HANSON (York-Sunbury): That is what I thought. In my town they are starting a band for sixty cadets, and I am wonder-

ing where they are going to get their band instruments. May they get them from the United Kingdom?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): All right; that is settled.

Item agreed to.

Items 603, ex 604, 605a, 611b, 622 and 623 agreed to.

Customs tariff—Item 624. Bead ornaments, and ornaments of alabaster, spar, amber, terra cotta or composition; fans of all kinds; statues and statuettes of any material, n.o.p.

Mr. ILSLEY: There is an amendment to this item.

Mr. McLARTY: I move, Mr. Chairman, to strike out item 624 and substitute therefor the following:

Customs tariff—Item 624 et al. Bead ornaments, and ornaments of alabaster, spar, amber, terra cotta, composition, or other material; fans of all kinds; statues and statuettes of any material, n.o.p.

Mr. HANSON (York-Sunbury): The words "or other material" have been added. What is the significance of that?

Mr. ILSLEY: It is estimated that it will bring in about $100,000 worth of goods which otherwise would be left out.

Amendment agreed to.

Item as amended agreed to.

Items 624a, 624b, 625, 629, 634, 634 (ii), 647, 648, 648a and 652 agreed to.

Customs tariff—Item 653. Brushes of all kinds.

Mr. HANSON (York-Sunbury): Would this keep out Fuller brushes?

Mr. POTTIER: Fuller brushes are made in Canada. Would this exclude them?

Mr. ILSLEY: Brushes of all kinds are excluded. It is just the importation that is prevented.

Item agreed to.

Items 655, ex 655a, 656 and 665 agreed to.

Customs tariff—Item ex 695a. Paintings in oil or water colours and pastels, valued at not less than twenty dollars each.

Mr. ILSLEY: There is an amendment to this item which I will ask my colleague to move.

Mr. MULOCK: I move:

That item ex 695a be struck out and the following substituted therefor:

695a. Paintings in oil or water colours and pastels, valued at not less than twenty dollars each (not to include paintings in oil or water colours and pastels to be used exclusively for printing or lithographic reproduction purposes).

Amendment agreed to.

Item as amended agreed to.

Item ex 711, ex 362c, ex 427, ex 446a et al. agreed to.

Mr. ILSLEY: There is an amendment to be made to item ex 415, Mr. Chairman, to which I will ask the committee to revert.

Customs tariff—item ex 415. Electric vaccum cleaners and attachments therefor.

Mr. MULOCK: I move, Mr. Chairman, that this item be amended to read as follows:

Ex 415. Electric vacuum cleaners and attachments therefor, domestic or household type.

The amendment adds the words "domestic or household type" in order to exclude industrial vacuum cleaners.

Industrial vacuum cleaners are used in cleaning up large industrial plants, such as explosive plants. They are also used for cleaning furnaces and flues in military camps, and by automobile firms in the reconditioning of used cars. They are not made in Canada at the present time. They are also used in keeping machinery free from dust and dirt.

Amendment agreed to.

Item as amended agreed to.

On the schedule, part II.

Customs tariff—item 19. Cocoa shells and nibs.

Mr. HANSON (York-Sunbury): Would the minister make it plain for purposes of the record that we are now dealing with another aspect of this legislation?

Mr. ILSLEY: Yes. It is not intended to deal with the items in part II in the same way as with the items in part I. The items in part II come within the classes of goods as to which some licences will be issued, but on the whole on a decreasing scale, so as to shut out these imports gradually instead of abruptly.

Mr. HANSON (York-Sunbury): Can the minister give us any indication of how long it is intended to carry on this policy? How long will it be before we arrive at the exclusion stage? There ought to be some care in dealing with this matter.

Mr. ILSLEY: We will reach that stage as rapidly as possible. It may never be reached completely.

Mr. NICHOLSON: What method is followed in determining the quantity of the goods?

Mr. ILSLEY: At the moment normal imports will be allowed.

Mr. HANSON (York-Sunbury): Under permit?

Mr. ILSLEY: Yes; but as it becomes possible to shut them out, they will be shut out. Take silk, for instance, which is an important item. To shut off importations of silk at the moment would cause great hardship in certain industrial centres, and it would not be practicable or desirable to do that. But if these industries can turn to the manufacture of something else which will take the place of silk products—and that is quite possible—then they will be denied the right to import silk from hard-currency countries. There is also power to prevent the importation of silk products from empire countries too, because otherwise an anomalous and unjust situation might arise.

Mr. HANSON (York-Sunbury): I suggest that the minister make an appeal to the ladies of the country that in this type of weather they wear woollen hosiery and that next summer they wear lisle. I believe we should get a response from the women of Canada.

Mr. FULFORD: Better make their skirts longer.

Mr. HANSON (York-Sunbury): All right. I have no objection to that, either.

Item agreed to.

Items 20a, 77a, 109a and 142 agreed to.

Customs tariff—267. Crude petroleum not subjected to any other process than natural weathering and removal of foreign matter and water, when imported by oil refineries to be refined in their own factories:
(i) ·8155 specific gravity (42·0 A.P.I.) or heavier at 60 degrees Fahrenheit.
(ii) Lighter than ·8155 specific gravity (42·0 A.P.I.) at 60 degrees Fahrenheit.

Mr. ROSS (St. Paul's): Would the minister explain generally what it is proposed to do in connection with petroleum products? The matter has been running through my mind because of the large consumption of gasoline in this country and the necessity of supplies in future. Is it proposed to do anything, by way of a tax or something of that kind, to curtail the non-essential consumption of gasoline?

Another consideration which appeals to me is that we need to curtail as far as possible duplication of effort. Take, for example, a city like Toronto. We have a good street-car service and a bus service as well, so that a great many people could very well dispense with driving their cars down-town. In certain instances, of course, people need to use motor cars to get to work. But in connection with this whole transportation system there seems to me to be a great duplication of effort. To-day motor buses compete with our own railroads, and altogether the consumption of gasoline is very large. I find from the "Canada Year Book" that our consumption in 1939 was 762,740,326 gallons, and refunds were allowed on 130,722,877 gallons, so that 632,017,449 gallons were used in motor cars and similar vehicles. I assume that the refunds represent the amount of gasoline used by farmers and essential to their requirements. But I think the commuter should have some idea of what the policy of the government is to be with respect to this matter.

There is no doubt that we shall need more and more gasoline for the air force, and I think that we have here one way whereby the people of Canada could conserve their dollars for war savings stamps, but that a little direction is needed. Has the government in mind putting on a tax of some kind? A cent a gallon does not amount to very much so far as the purchaser is concerned, but it would bring in over $6,300,000; two cents a gallon would bring in $12,600,000. It would be interesting if at this time the minister could give the committee a little further information with respect to these products.

Mr. ILSLEY: As the committee knows, there is an oil controller who has an organization and who is studying this whole question. It may be possible for importations of refined gasoline to be very greatly reduced.

Mr. HANSON (York-Sunbury): That is, the refined oil?

Mr. ILSLEY: The gasoline itself—what gasoline comes in.

Mr. ROSS (St. Paul's): It is not mentioned in this schedule, is it?

Mr. ILSLEY: Yes. But that cannot be done all at once, because it would mean too great a dislocation of existing businesses. I am not saying that it will be done; but this gives the power to do it, and it will be the object of the government, working on the advice of the oil controller, one of the officials of the Department of Munitions and Supply, to attempt to limit as far as possible importations of petroleum products which can be eliminated. But that is a different matter altogether; that is a different subject from that of controlling the consumption of gasoline in Canada, which perhaps would involve the allowance of so much to each person—the rationing of gasoline. I am not in a position

to make any announcement about a policy with regard to that, but it has certainly not been decided to do it.

Mr. ROSS (St. Paul's): Is there any shortage of gasoline at the present time, or is there likely to be a shortage?

Mr. ILSLEY: Oh, no.

Mr. ROSS (St. Paul's): Does the minister think that some time in the future we shall have some regulations regarding curtailment of the use of gasoline? It seems to me that it is just as necessary as getting people to do without washing machines and articles of that kind.

Mr. ILSLEY: It is worthy of consideration. There has been quite a lot of discussion about it, rumours about it, and so on, but it has not been decided upon as a policy of the government. Further than that, I cannot make any announcement.

Mr. HANSON (York-Sunbury): Along that very same line, may I direct the attention of the Minister of Finance and the government to what I consider to be excessive use of gasoline in the armed services in Canada? The other day my attention was directed by the hon. member for Victoria-Carleton to the fact that, for a little training school in a little town in New Brunswick which I shall not name, a contract was let for $6,400 worth of gasoline. There is no motorized equipment there except a few automobiles which they are using. I was almost paralyzed to think that the government is paying out $6,400 for gasoline in that little town where there is no motorized equipment, excepting that a few officers may have their own passenger cars. That is just an instance where I think some saving might be made, and I thought if I had the chance I would mention it to somebody in authority.

Apart from the air force, whose position is different, it seems to me that the quantity of gasoline which is being bought by the army is enormous. One sees these huge trucks going round; before I came here I saw a whole train of them going through my town. I do not know where they were going to, but it seemed to me that a tremendous amount of gasoline was being used. As regards the specific item I spoke of, I could not conceive why it was necessary to order so much gasoline, so I wrote to the Minister of Munitions and Supply to find out why that contract was let. I have not yet received an answer. I mention the matter just as an instance of the directions in which we might exercise some economy.

Mr. ROSS (St. Paul's): In that same connection, could the minister tell me where we shall get our crude petroleum? Can we get most of it from the Turner valley or out of some of the Ontario wells? Surely there must be something in the minds of the government as to where they are going to get their petroleum products in this country, instead of importing them. Is it intended to step up the production of the Turner valley?

Mr. HANSON (York-Sunbury): For the time being, crude oil will be permitted as usual?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): From the usual channels and sources of supply, which are the Gulf and the Caribbean?

Mr. ILSLEY: Yes.

Item agreed to.

Items 267a and 267b agreed to.

Customs tariff—268. Natural casinghead, compression or absorption gasoline, lighter than ·6690 specific gravity (80·0 A.P.I.) at 60 degrees Fahrenheit, when imported by refiners of crude petroleum for blending with gasoline wholly produced in Canada.

Mr. PERLEY: This product is very important to western Canada. Farmers are using large quantities of gasoline which are being refined in Saskatchewan. The Consumers Limited have a small consumers' refinery there, and there is a cooperative refinery in competition with Imperial Oil. They have been getting most of their crude oil from the United States; it comes in under a duty of, I understand, half a cent a gallon. I should like to be sure that this will not have the effect of discriminating in any way against these refineries, which have started up in the last year or two, and from which farmers are getting a cheaper gasoline. It will be readily understood that, farming having been revolutionized, it is important that farmers be allowed to get their crude oil for refining in their own refineries so that they may have cheap fuel for the production of wheat and for other farming operations.

Mr. ILSLEY: Crude oil will be admitted for the time being under permit.

Item agreed to.

Items 269, 269a and 271 agreed to.

Customs tariff—272a. Petroleum greases and lubricating greases, n.o.p.

Mr. CASTLEDEN: What was the value of lubricating greases imported last year under this item?

Mr. ILSLEY: Imports of petroleum greases from non-empire countries in 1939 amounted to $423,000, and from empire countries, $4,000.

Mr. CASTLEDEN: What was the quantity of the Canadian production?

Mr. ILSLEY: I cannot give that information.

Mr. ROSS (St. Paul's): Petroleum products are the largest importation into Canada. Can the minister give the total amount in dollars of petroleum products importations?

Mr. ILSLEY: This item covers petroleum, asphalt and petroleum products. Only a very small part of it consists of asphaltic products. Total imports in 1939 had a value of $55,913,177.

Mr. HANSON (York-Sunbury): A big traffic.

Mr. ILSLEY: Yes. By far the greater part of it is crude petroleum for the refineries. That amounted to $39,564,000 from non-empire countries.

Mr. ROSS (St. Paul's): Does that include gasoline?

Mr. ILSLEY: The $55,000,000 does.

Item agreed to.

Mr. ILSLEY: I will ask my colleague (Mr. Mulock) to move the following amendment which will be found in Votes and Proceedings:

2. That Part II of Schedule 1 to the said resolution be amended by adding thereto the following items:

"Tariff Item—326(i). Demijohns or carboys, bottles, flasks, phials, jars and balls of glass, not cut, n.o.p.; lamp chimneys of glass, n.o.p.; decanters and machine made tumblers of glass, not cut nor decorated, n.o.p.

Tariff Item—414. Typewriters and complete parts thereof.

Tariff Item—414a. Dictating, transcribing and cylinder shaving machines and complete parts thereof, including cylinders and unfinished wax blanks.

Tariff Item—414c. Adding, bookkeeping, calculating and invoicing machines and complete parts thereof, n.o.p.

Tariff Item—415d. Sewing machines, with or without motive power incorporated therein; complete parts of sewing machines.

Tariff Item—415e. Sewing machine attachments.

Tariff Item—434. Locomotive for use on railways, and chassis, tops, wheels and bodies for the same, n.o.p.

Tariff Item—434a. Motor rail cars or units for use on railways, and chassis for same; complete parts of the foregoing.

Tariff Item—438. Railway cars and parts thereof, n.o.p."

On the recommendation of the Minister of Munitions and Supply (Mr. Howe), an order in council was recently passed prohibiting the manufacture of new models of a great many articles. The question then arose whether the importation of new models should not also be prohibited.

Mr. HANSON (York-Sunbury): As a corollary.

Mr. ILSLEY: Yes. A number of difficulties arose in the application of that order in council to imported models. The situation was different in a number of ways. If hon. members will think about it, they will see that in Canada, if you held models as they are now, there would be no difficulty; but in another country models are changing from year to year and it is difficult to know what a new model is in the sense of the term as it was used in the order in council. It was thought best, therefore, to deal with the matter in this way. These items will take care of imported new models. The Minister of National Revenue (Mr. Gibson), by granting permits, by having power to deny permits for the importation of anything in these items, can see that there is no discrimination or injustice in the model situation as between imported models and models domestically produced.

Mr. MULOCK: I so move.

Motion agreed to.

Items 326(i), 414, 414a, 414c, 415d, 415e, 434, 434a and 438 agreed to.

Customs tariff—ex 438a. Automobiles and motor vehicles of all kinds, n.o.p. (but not to include passenger automobiles); electric trackless trolley buses; chassis for automobiles and motor vehicles of all kinds.

Mr. GREEN: Does this cover trucks?

Mr. ILSLEY: Yes.

Mr. GREEN: Power is taken to exclude all trucks?

Mr. ILSLEY: Yes.

Item agreed to.

Customs tariff—ex 500. Railway ties.

Mr. HANSON (York-Sunbury): Do we import railway ties?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): How many and why? I am astonished to think that we do because we have been exporting railway ties.

Mr. ILSLEY: They are imported in western Ontario, I am told. The value of imports in 1939 was $359,000.

Mr. HANSON (York-Sunbury): They had better buy them in Canada.

Mr. NICHOLSON: Has the minister any comment to make on the suggestion of the leader of the opposition?

Mr. ILSLEY: There is power to carry it out if the railways can get them elsewhere. They are brought in by United States railways operating in Canada.

Item agreed to.

Customs tariff—ex 503. Planks, boards, clapboards, laths, plain pickets and other timber or lumber of hardwood, not further manufactured than sawn or split, whether creosoted, vulcanized, or treated by any other preserving process, or not.

Mr. GREEN: This and the next three or four items deal with hard woods. Why are soft woods not included? Apparently these are only the hardwood items. In other words, there are no restrictions on the importation of soft woods.

Mr. ILSLEY: We do not desire to interfere with the soft-wood situation at all. Our export is very substantial and we have favourable treatment under the trade agreement. It is not considered desirable to take power to shut them out.

Mr. GREEN: When the minister says our treatment is favourable, does he mean in the United States or Great Britain?

Mr. ILSLEY: In the United States.

Mr. GREEN: The export must be from eastern Canada, because there is practically none exported from western Canada.

Mr. ILSLEY: I will get the figures.

Mr. HANSON (York-Sunbury): Do we import any soft wood from the United States? —yes, southern pine. We have to have it, so I think that is proper.

Item agreed to.

Items ex 504, ex 505, 505a, 507, 507a, 507b, 507c, 507d, 507e, ex 557, ex 557a, ex 557b, 558, 558a, 558c, 558e, 600, 601 and 602 agreed to.

On schedule 2.

Mr. GREEN: With regard to schedule 2 I asked the minister last night what proportion of the duty is being taken off. He gave the figures for last year on these items in schedule 2 as $1,950,000 collected on goods from empire countries.

Mr. ILSLEY: Yes.

Mr. GREEN: But he did not say how much would have been collected if the rates had been as now proposed. In other words, what does this reduction mean; how much are we giving Great Britain?

Mr. HANSON (York-Sunbury): Before leaving part II of schedule 1, would the minister put on the record the volume of business which will now be under permit under part II as he did under part I? I think he gave $53,000,000 that would be shut out.

Mr. ILSLEY: I gave it.

Mr. GREEN: Yes, page 727 of *Hansard*, $71,150,000.

Mr. ILSLEY: Yes; something like that. The figure of $1,950,000 given last night should have been the estimated loss in revenue. It was stated to be the amount collected.

Mr. HANSON (York-Sunbury): The anticipated loss of revenue?

Mr. ILSLEY: Yes, and the imports were estimated at $13,343,000. I have now what I am informed is a more accurate estimate. The first figure is $13,745,380 and the estimated loss of revenue on the basis of 1939 is $2,026,169. In round figures $2,000,000 would be as good an estimate as one could get.

Mr. GREEN: That means that all the assistance we are giving Great Britain is the amount of $2,000,000?

Mr. ILSLEY: No; I would not think so. What Great Britain gets is the value of what they ship in. This is what it costs us to allow it to come in.

Mr. GREEN: What was the total duty collected last year on those items?

Mr. ILSLEY: I am informed it would be about $3,000,000.

Mr. GREEN: From which different empire countries do these imports come?

Mr. ILSLEY: Practically all from Great Britain; the nature of the articles shows that. They are nearly all manufactured articles.

Mr. CASTLEDEN: Why is it that woollens seem to be so carefully excluded from schedule 2?

Mr. ILSLEY: There are two or three reasons. The British woollen industry is a strong one and the British control the sources of wool; sell us the wool. Moreover the British have been increasing substantially their sales of wool products in this market. Total imports of woollens from the United Kingdom for the first ten months of 1939 amounted to $16,466,000. For the first ten months of 1940 they amounted to $26,345,000. The increase is very substantial. It must be remembered they have more of the woollen trade in Canada now than Canadians. I am speaking from memory of the evidence

given before the price spreads commission which I think was something like this: Prior to 1930 the British had about 60 per cent of this market and Canadians about 40 per cent. With the higher duties imposed between 1930 and 1935, that proportion was altered so that the Canadian proportion grew to nearly 60 per cent at one stage, if I remember correctly. It would be something like 50 per cent. Now the British are apparently maintaining their position in this market with ease, and when it is borne in mind that the industry here is rather widely scattered, with quite a large number of small establishments, upon which the welfare of a great many communities depends; and when it is also considered that the British control the sources, the raw material, completely, and also that against the present duties they are doing pretty well, we did not think we were justified in making any difference in the duties on woollens.

Mr. CASTLEDEN: What was the value of imports from the United States last year?

Mr. ILSLEY: They are negligible.

Mr. HANSON (York-Sunbury): I should like to make a brief statement with respect to cottons, if it would not be considered out of order.

At the time the Ottawa agreements were being negotiated, the cotton industry of Canada and that of Lancashire were asked to get together, to see if they could not reach an agreement. They did not agree very well. I believe Lancashire came to Canada with the idea that they ought to have the whole Canadian cotton market, and that our local industry should be scrapped. At least that was the information I got at the time. Of course, under conditions which then existed, that idea did not prevail.

The first point is this: In connection with the cotton schedules, will the minister give the committee the assurance that this is for the duration of the war, and only for the duration of the war? That is in the statute. But once the duty is brought down, even if it is only for the duration, it will be difficult to get it up again. Will the minister give the assurance to the public that there is to be no vested interest on the part of Lancashire in our trade, in accordance with the schedules laid down in these resolutions?

Mr. ILSLEY: Yes, I certainly will.

Mr. HANSON (York-Sunbury): That is one thing. I am obliged to the minister. We had some discussion yesterday with respect to costs.

[Mr. Ilsley.]

Mr. ILSLEY: I have in mind the figure the hon. member is going to mention. That figure is 43 per cent.

Mr. HANSON (York-Sunbury): Yes.

Mr. ILSLEY: I want to make a correction. The 43 per cent I had in mind was an estimate. I have no reason to think it was unreliable or inaccurate, but it was an estimate of the increase, not in the cost of production, as I somewhat loosely stated, but on the delivered value, or the duty-paid price of the cotton.

Mr. HANSON (York-Sunbury): Which is quite different.

Mr. ILSLEY: Yes, but I should not be a bit surprised if the cost of production went up that much, too.

Mr. HANSON (York-Sunbury): That may be true. I think nobody can say arbitrarily just what the increase is. I believe that the minister has now made a fairer and truer statement of the position. In view of the increased cost of production on the other side, I do not think there will be in the immediate future any great influx of cotton goods into Canada. But it may be very valuable. I believe Lancashire knows that, because I saw some newspaper comments which appeared after the minister had delivered his speech, indicating that the cotton people of Lancashire were most profuse in their thanks. They were quite enthusiastic about this so-called let-down of the bars. It may work out that way.

At the moment I do not think there is any great danger, because there are obstacles and impediments in the way. At the same time may I point out to the minister a few important factors. The cotton business in England has been rationalized, and cotton exports are being bonused by the association of cotton manufacturers in England. That is the information I have before me. The minister is letting in free this bonused production. That would seem to be the effect of the provision. No doubt the minister has expert factual information which is not available to me, but I would ask him to give consideration to that phase of the matter. If that production is being bonused for export, then I suggest the position should be reexamined.

The second point to which I wish to call the minister's attention is this: Canadian cotton manufacturers have to pay a 10 per cent excise tax, as well as the ordinary foreign exchange premium on all cotton imported. But the British manufacturer does not have

to pay any such excise tax, and the result is that there is a 10 per cent increase in the cost of the raw material to the Canadian manufacturer. This would seem to be an unfair situation, and it should be compensated for by an excise tax on imported cotton goods or, as an alternative, on the cost of the raw cotton content thereof. That would balance the arrangement. In other words, there is a differential to the extent of that tax operating against the Canadian manufacturer. It would seem that our manufacturers are taxed in a way in which the British manufacturers are not taxed. The manufacturer in England will not have to pay the excise tax on his finished product. I suggest an examination should be made to see if he should not pay that 10 per cent tax on the value of the cotton content—not necessarily on the labour. I believe the condition I have described constitutes a serious handicap.

Mr. ILSLEY: There are various factors to be considered. The British manufacturer has a greater exchange disadvantage.

Mr. HANSON (York-Sunbury): I realize that. I suggest, however, that if, upon examination, the officials in the minister's department find any injustice, a correction should be made. The officials now sitting in front of the minister will appreciate the point I have made.

I would point out to the minister that labour costs in Canada were 60 per cent higher than corresponding costs in Great Britain. I do not know just what the situation is at the present time. It is impossible to give the Canadian worker the standard of living to which we believe he or she is entitled, and at the same time meet the competition of the cheaper labour used in the manufacture of imported goods. The important consideration is that there is a difference in the prices paid to labour here and labour over there.

I should dislike very much to see any necessity for a reduction in our wage scale. I do not think our workers could stand it because, no matter what the minister may say, the cost of living is going up. The wholesale index indicates an increase, and costs of retail goods have increased. I believe they will continue, willy-nilly to go up. In my community the price of milk is increasing steadily, the price being fixed by the milk board. Because of the processing tax on flour, the price of flour is going up. I do not know whether wages are keeping pace with these increases. They will, however, have to. I do not anticipate any great difficulty in this matter at the present time, but these are factors which must be kept in mind. If there is any injustice, steps ought to be taken to make the necessary correction.

I have tried to place before the committee the three points I had in mind which, it seemed to me, were important factors. I am not opposing the resolution before the committee, but I am simply describing the situation as I understand it.

Schedule agreed to.

Resolutions reported, read the second time and concurred in.

WAR EXCHANGE CONSERVATION ACT, 1940

Hon. J. L. ILSLEY (Minister of Finance) moved for leave to introduce Bill No. 9, respecting the conservation of exchange.

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

Sections 1 and 2 agreed to.

On section 3—Prohibited goods.

Mr. GREEN: Will the minister not consider making reference in this section to parts I and II of schedule 1? We have had the bill in our hands for just a minute, but so far as I can see, there is no mention in it of parts I and II of schedule 1. That would appear to me to be rather loose draftsmanship.

Mr. ILSLEY: I gave consideration to that last night, and there are reasons why I do not think it would be desirable. There will have to be some freedom to deal with even the items in part I. This is not ordinary tariff legislation; this is emergency import control. This is concerned with prohibition by licensing, not with duties. This type of control is exercised in all countries by administrative action. Every issue of the *Board of Trade Journal* contains changes in the list of products for which the government of the United Kingdom will grant licences. The fact that complete prohibition rather than merely duties is involved requires greater discretion and flexibility in administration. In many respects, if the government did not desire to use the War Measures Act, the logical procedure would have been to take power by legislation, place all imports under permit and then proceed by order in council under the act to set up schedules of imports requiring permits and those for which permits would not be granted.

Out of consideration for parliament the government decided to include the schedules in the legislation and disclose to parliament just what action it is proposed to take. Wide discretion is required by the minister because certain imports may prove to be required for war or other essential services. Restrictions are by tariff items, and even the customs officials cannot name all the articles which may

be included in a single customs item. In the case of such goods as canned vegetables or wearing apparel a serious shortage might conceivably arise if the importation were prohibited and the minister had no power to grant permits at his discretion. In the case of imports under part II it may be necessary to discriminate even between importers in granting permits. One importer may seek a permit to increase his already large stocks of raw materials, while another may apply for a permit merely to replenish exhausted stocks.

I may say also that powers at least as wide as these are vested in ministers by other acts. For instance, there are the powers exercised by the Minister of Finance in connection with the export of gold and the powers exercised by the Minister of National Revenue with respect to export permits. He has a discretion in the matter of export permits, as well as in the matter of import permits for aluminium. These powers can be exercised and will be exercised with care. Powers are now vested in controllers under the Munitions and Supply Act which are much wider than the powers vested here in the Minister of National Revenue.

For these reasons I do not think we should go further than we have. We have divided these items into two parts, part I and part II, and stated to parliament what the intentions of the government are in reference to part I and what the intentions of the government are in reference to part II. I think it is necessary that there should be discretion vested in the minister to deny or grant permits regarding all the items in both parts, the principles upon which he will exercise this being understood and explained to the house.

Mr. GREEN: In order that the record may be clear to anyone reading *Hansard,* will the minister explain the difference between the treatment which will be meted out in connection with items in part I of schedule one, and in connection with items in part II?

Mr. ILSLEY: I have done that twice already.

Mr. GREEN: I think it should be stated again in order that people who read this will know.

Mr. ILSLEY: Generally speaking, and speaking with considerable approximation rather than accuracy, I would say that it is the intention to deny permits to those desiring to import any of the articles mentioned in part I. As I say, some exceptions may have to be made, but that is the prohibited list and it is not intended to grant permits for the importation of those articles. It is the intention to grant permits as usual for the importation of the articles in part II, but to decrease the importation of these articles by the gradual denial of permits in so far as that is possible.

Mr. GREEN: With the intention of ultimately prohibiting the import of all articles in part II?

Mr. ILSLEY: If possible. There may be some items in that part which can never be prohibited. But the intention is to get away from the importation of those articles as far as possible. I do not have any idea that we can get away for a great while from the importation of crude petroleum. We are importing $39,000,000 worth of crude petroleum and I would not like to say that the imports of that commodity will ultimately be shut off.

Section agreed to.

Sections 4 and 5 agreed to.

On section 6—Power to permit entry, to reduce or remove duties.

Mr. GREEN: The government are taking power to reduce the duties as well as to prohibit importation. Is that the situation?

Mr. ILSLEY: Yes.

Mr. GREEN: So that instead of prohibiting the entry of the goods, the government may simply reduce or remove the duty or, in other words, deal with it as they see fit. Are the powers intended to be as wide as that?

Mr. ILSLEY: If a domestic producer undertook to take advantage of the prohibition unduly to enhance the price of his goods one way to deal with the situation would be to remove the prohibition, and in addition the duties could be reduced or removed. The governor in council takes power to do all this.

Mr. MacNICOL: The government would have to take that power to prevent the enhancing of prices.

Section agreed to.

On section 7—Duties of customs schedule 2.

Mr. HANSELL: In connection with coal coming from Great Britain or other parts of the empire, just what in the opinion of the minister is going to be the effect of this provision upon the coal mining industry of Canada.

Mr. ILSLEY: I have before me a statement from the technical adviser to the coal administrator, the material parts of which are to this effect: Any bituminous coal which we might be able to import from Great Britain would be used entirely in the Quebec and Newfoundland areas where, on account of

increased requirements of the railways and the pulp and paper industry, our own supplies must be supplemented by imports of bituminous coal from the United States. It is not anticipated that importations of British bituminous coal would in any way interfere with the present movement of Nova Scotia coal under subventions, nor would it be necessary under present conditions to extend the market for Nova Scotia coal beyond existing boundaries. A careful study is now being made of the situation with a view to determining the amount of British bituminous coal which might be absorbed in the eastern markets without disturbing present distribution.

Mr. HANSELL: I notice that these observations were directed particularly to Nova Scotia, and I am wondering how the coal mining industry in other parts of Canada will fare. Alberta has quite a coal-mining industry; so has British Columbia, and there are other areas where a less amount of coal mining is done.

Mr. ILSLEY: They would not be affected.

Mr. HANSELL: I am glad to know that, but I am under the impression that those in responsible positions in the coal-mining industry are not of the same opinion.

I believe there is need of some sort of conference being called by the government—it should be called here I think—where representatives of the coal-mining industry throughout the country could meet together. In addition to the calling together of representatives of the coal-mining industry of Nova Scotia, Alberta, British Columbia and other coal-mining areas, I believe that labour and other phases of the coal-mining industry should be represented, to determine upon an adequate and proper national coal policy for Canada. I do not believe we have what could be termed a really satisfactory national coal policy.

I have some very big files on coal and all sorts of reports—reports by all sorts of commissions, and reports by various delegations that have come to Ottawa. One report will be along one line and another report along another line. There is a report from a commission created to inquire into anthracite coal, and another report from another commission on some other phase of the coal-mining industry. Therefore I believe that a conference should be called at which every part of the coal-mining industry of Canada will be represented, together with the coal committee of the cabinet, and there this whole question could be threshed out with a view to getting down to the business of establishing a really national coal policy. I do not know whether the idea is new to the minister, but I do wish he could say that he favours such a conference. I do not suggest that it be as large as the forthcoming conference on the Sirois report. Nevertheless the coal-mining industry of Canada is one of our biggest industries, and I think it is time that something of this sort was done.

Mr. GILLIS: In view of the minister's statement that a certain percentage of the coal imported from Great Britain would be utilized in the Quebec market, I wish to say that in my opinion it would seriously affect the Nova Scotia coal-mining industry. Last night the hon. member for Cumberland (Mr. Black) went into the story at length and quoted many figures, but he did not carry the story through. Reading *Hansard,* one would be led to believe that the coal-mining industry of Nova Scotia had expanded since the introduction of subventions. The reverse is true. By virtue of the subventions given to the coal-mining industry of Nova Scotia, the industry expanded to this extent, that 2,000,000 tons were marketed in Ontario. While the subventions have assisted the industry and enabled Nova Scotia coal to be marketed in Ontario, nevertheless during that time there has been a decline in the industry. In that connection I should like to refer to the "Coal Statistics for Canada" for the calendar year 1938, in support of my statement. It states:

> Production from Nova Scotia coal mines in 1938 declined to 6,236,417 tons from the 1937 total of 7,256,954 tons. Mines in Cape Breton produced 4,676,730 tons or 14·8 per cent below the 1937 output. Cumberland district produced 713,768 tons compared with 807,651 tons a year ago. The Inverness output was 7·2 per cent lower at 173,535 tons. In the Pictou district production declined 12·9 per cent to 672,384 tons.

That was in 1938 as compared with 1937, and that decline took place regardless of the fact that we were marketing our coal further west.

There is another matter to which I should like to make reference. I quote further:

> Active mines in Nova Scotia in 1938 produced approximately 63 per cent of their possible output; 33·5 per cent of the output loss was due to lack of orders. Causes other than strikes were responsible for a production loss of 3,739,938 tons....

The reason why I put these figures on the record is to show that at the present time the coal-mining industry of Nova Scotia is on the wane. Unemployment has increased, and the figures quoted will show that the reason for that unemployment is lack of markets. We who have been engaged in that industry and do business with the coal

companies know that they have no intention of expanding operations, because of lack of markets; and while I am absolutely in accord with the principle of assisting Britain, I am reasonably sure that the removal of the thirty-five cents duty on British bituminous coal will further affect our production.

At the present time a large part of the war materials being shipped overseas are leaving the ports of Montreal, Halifax and Sydney. I have seen at least 100 boats in convoy leaving a port. Most of those boats arrive without a cargo. By the removal of that thirty-five cents tariff these boats will be enabled to bring back a cargo. Most of them come back with water as ballast, if British bituminous coal is admitted duty free, most of those boats will, in my opinion, bring back cargoes of coal, and we in Nova Scotia cannot compete with it. That has been our experience. Time and again the operators have told us that because of lack of markets they have no intention of expanding the Nova Scotia industry. The statistics of 1938 show that they are away below their possible production, and the consequence is unemployment.

The measure before us is to conserve foreign exchange, and I am absolutely in accord with that object; but I believe that if it is to be effective with respect to the item under discussion, it will have to be carefully administered. I listened to the remarks of the hon. member for Macleod (Mr. Hansell) having reference to a conference of operators. That has been tried time and time again. Representatives of the east and of the west met in Ottawa and laid down a programme for the purpose of inaugurating a national fuel policy. All we ever got out of it was talk, talk, talk, a whole lot of recommendations, and a good deal of paper; absolutely nothing else.

In my opinion, if we are serious in our endeavour to give Britain a market in this country for her bituminous coal, there is only one way of doing it. Approximately ten million tons of bituminous coal is imported from the United States. The only way of marketing British bituminous coal is to place an embargo on United States bituminous coal which is coming into this country.

Mr. MacNICOL: Or give them a quota.

Mr. GILLIS: Or a quota. Decide upon the amount you intend to take from Britain, bring it in, and put an embargo on the equivalent amount of bituminous coal from the United States. That will have to be done, in my opinion, so as not to interfere with or dislocate markets controlled and handled at the present time by Canadian operators. There is, in my judgment, no other answer to the problem if we intend to conserve foreign exchange.

I believe that the Nova Scotia industry has already felt the effects of British coal in the Quebec market. During last session there was brought to my attention the fact, which I could not then verify, but which I have since confirmed, that 200,000 tons of British coal which was consigned to France at the time France capitulated was diverted to Canada. I am informed that one of the big mining operators in this country handled and marketed that coal, and the figures which I have seen in one of the local papers reflect, I believe, the effects of the marketing of that coal. According to what I saw in a local newspaper, the Dominion Coal company, the biggest unit of Dominion Iron, Steel and Coal, had an output last month of 22,957 tons less than the output of October, 1939, and 39,396 tons less than the output of October, 1940. That should not be, because there has been created an abnormal market, as a result of the war. The boats constituting the large convoys in and out of a harbour with which I am acquainted are bunkered, and this coal company has done quite a business with the bunker coal. At the same time their output, on account of the additional imports of bunker coal, is in my opinion forty or fifty thousand tons less than it would otherwise be. It is my belief, although I cannot verify it, that that coal was marketed in Quebec, causing the output for the collieries for the last month as compared with the previous month to be down to that extent.

Mr. MACDONALD (Kingston City): Does the hon. member ascribe the diminished output to any cause other than lack of markets?

Mr. GILLIS: I tried to make that clear. I said that 200,000 tons of British coal which was consigned to France at the time France capitulated came into eastern Canada and was marketed by one of our coal companies. I believe that that tonnage so brought in and placed in the eastern market would be a contributing factor to the monthly decline of the Dominion Coal company.

Mr. MACDONALD (Kingston City): Has my hon. friend any figures as to the number of tons of coal which were lost on account of the stoppage of work in the collieries?

Mr. GILLIS: Yes, I have them right here.

Mr. MACDONALD (Kingston City): What are they?

Mr. GILLIS: I will read the paragraph in the 1938 report entitled "Coal Statistics for Canada":

Active mines in Nova Scotia in 1938 produced approximately 63 per cent of their possible output; 33·5 per cent of the output loss was due to lack of orders. Causes other than strikes were responsible for a production loss of 3,739,938 tons during the year while strikes accounted for an additional computed loss of 11,651 tons.

I had not any intention of making reference to that particular question, because of what I have heard in the past year from many government officials who have come to our conventions. The Minister of Labour went into Nova Scotia, tackled miners' organizations and everyone connected with them and gave them a severe talking to on the question of sporadic strikes and the amount of coal lost as a result of stoppages of work, and so forth. I think the amount of coal lost on account of stoppages of work is insignificant when compared with the amount lost—over three million tons—from other causes. If we are interested in the industry from the viewpoint of production, the other causes should be given as much analysis and investigation as this question of the sporadic strike.

Mr. MACDONALD (Kingston City): I think my hon. friend knows that the figure of 11,000 tons is entirely incorrect. He must know that.

Mr. GILLIS: I do not compile those figures and I have not any way of finding that out.

Mr. MACDONALD (Kingston City): The hon. member knows that from his own experience.

Mr. GILLIS: I am taking the government's word for it. I know there has been doubt cast on it, but I assume these figures are correct. They should be.

Mr. MACDONALD (Kingston City): They are not correct.

Mr. MacNICOL: I want to ask the hon. member a question, because I know he knows what he is talking about. How many tons is an ordinary day's production of coal? I want to try to estimate how much 11,000 tons would mean in shortages in terms of time. Would it mean more than an hour, or would it mean a day's production? The hon. member said that their loss through strikes was 11,000 tons' production, and I was just trying to ascertain what that means in time. Eleven thousand tons seems to be a very small amount. How much time would that represent? The hon. member is an expert and he must know.

Mr. GILLIS: If we take the industry as a whole, it would amount to practically nothing. One mine produces 4,000 tons a day. With regard to the accuracy of the figures here, that is something I cannot argue; I am accepting them as authentic, because I get them in cold statistics.

My intention in rising was to point out the seriousness of the mining situation in Nova Scotia. It is the basic industry in that province and employs over 100,000 men, and the whole economy of the province is wrapped up in the industry, whose operations are on the wane at the present time. I find, in most of the older mines, that there is no incentive for the companies to go ahead with new programmes. The question of the importation of bituminous coal into the Quebec market, where the minister says more will be used, is a serious one, because that is the only economic market the company has. If it is interfered with or dislocated, it will mean that the company will not go ahead with the programme of making new openings, and an already bad unemployment situation in those areas will be aggravated. We are facing a crisis and it is our intention to help Britain. I am in favour of that. But if we are to bring in any quantity of bituminous coal from Britain there will be no room for the coal from our operators in Canada. We shall have to put a quota on the border and keep out the bituminous coal coming from the United States. Millions of dollars going to that country could be saved.

The government should accept some responsibility with regard to the development of the coal areas in Canada. At the present time Britain is going through a terrific ordeal in consequence of the technique developed by the Germans of attacking town after town in an attempt to make a shambles of the country and to put it out of production. The mining industry there is not immune from destruction and while we are talking about importing bituminous coal from Britain the reverse may be true in six months' time. Canada may have to step in and supply Britain with coal. There are many undeveloped coal fields in Canada, particularly in the part of the country for which I am speaking, and the possibilities of expanding that industry should be probed.

Most of our coal has been shipped by water. It is only a seasonal matter during the winter months. From November until about May the coal is banked and that is a costly operation. An effort should be made to ship Cape Breton coal by rail. There are three factors that make it impossible, and a costly operation, to ship coal by rail, and these should

be removed. In the first place, the assembly yard in Sydney is altogether too small; it should be enlarged; and ninety miles up the line, at Point Tupper, the assembly yard is also very small, being unable to handle much coal. Then there is the strait of Canso to contend with. A train of coal goes through and is shunted around in all directions to make room for it. Taking the train across on the *Scotia* is a slow operation and is not workable at the present time. It adds much to the cost of transportation by rail.

If the government are sincere in their effort to do something with regard to the industry in that end of the country, a good approach to the problem would be to consider the possibility of either tunneling the strait of Canso—it is only a mile or so—or bridging it, and at the same time enlarging the two yards to which I have referred, thus making it possible for coal to be shipped from that end of the country both summer and winter, and eliminating the necessity of banking the coal. The coal is banked twice, in Sydney and in Montreal, and coal company officials will tell you that this is one of the biggest factors in the question of cost—banking the coal and keeping it from catching fire. That is something which should be considered. The cost would be offset in years to come by the subventions that are now paid. The sum of $2,500,000 a year is now paid by way of assistance, and the industry will need still more assistance in time, or it will shrink to the point where it will take care of only our own domestic market. That seems to be the trend of events at present.

I leave these thoughts with the minister. They are factors that will have to be considered. That part of the country is not getting a fair deal. The people there are living in a completely different world from this part of the dominion. Something must be done for the development of the Nova Scotia coal industry or, I repeat, the industry will shrink to the point where it will take care of only its economic market. I hope the minister will consider these points.

Mr. KINLEY: The hon. member for Cape Breton South (Mr. Gillis) told the house that there were 100,000 people employed in the coal mining industry in Cape Breton. I am afraid the figure is too large.

Mr. GILLIS: The hon. member is wrong in that statement. I said that 100,000 people depended on it.

Mr. HANSON (Skeena): He said it was the basic industry in Nova Scotia.

Mr. GILLIS: So it is.

[Mr. Gillis.]

Mr. KINLEY: The hon. member also said that coal mining in Nova Scotia was on the wane, production becoming smaller and smaller. The question before the committee is the invasion of the St. Lawrence market, and if the production of Nova Scotia coal has decreased, as the hon. member says, it is not because of deliveries to that market. The upper Canadian market has increased enormously in the last two years. The movement of coal to Quebec and Ontario in 1938-39 was 1,300,000 tons; in 1939-40 it was 2,600,000 tons; and up to October, 1940, it was 1,343,000 tons. This cost the country in subventions the sum of $1,888,000, and the estimated cost of subventions for this year to March will be $2,873,000.

The movement of coal to the Quebec and Ontario markets was less this year than in 1939-40, but there were three reasons for that. First, there was the scarcity of bottoms; you could not get cargo space to bring the coal up the St. Lawrence in the summer because of scarcity of tonnage. Next, there was a greater local consumption because the steel plant in Sydney is using more coal owing to war-time production. And, third, the railways of the country are using a great deal more coal. I was talking to an official in the fuel controller's office who tells me the estimate for this year is that there will be an increase in production of 200,000 tons from the Nova Scotia mines.

We talk about subventions; the hon. member only last session said in the house that subventions were no good—

Mr. GILLIS: I beg the hon. gentleman's pardon, I did no such thing. I never made that statement. And by the way he might let H. J. Kelley do his own arguing.

Mr. KINLEY: I refer to *Hansard* of August 6, 1940, page 2549:

> Mr. Gillis: ....I know positively without having to guess about it at all, that no employment has been created for miners since the establishment of subsidies. As a matter of fact the reverse is true. On two occasions I have attempted to paint a picture of conditions in that industry during the past ten years. Coal mining in Nova Scotia is definitely on the way out. Since this session of parliament opened I have had telegrams, wires and letters stating that unemployment was widespread throughout the industry.
>
> I have only a word more to say about subventions. I have been employed by the Dominion Steel and Coal Corporation, which controls coal mining in Nova Scotia, for a period of thirty years, and I am very sceptical in regard to the question of subventions. I would advise the government to examine closely into the question whether or not that subvention has been used for the purposes for which it was intended. I have not seen any benefits accruing to the man who produces or digs the coal. That is all I have to say on that point.

Mr. GILLIS: That is all right; does that say subventions are no good?

Mr. LAPOINTE (Quebec East): The hon. member does not say they are good.

Mr. GILLIS: Might I be permitted to correct that statement?

Mr. KINLEY: Well, it is in *Hansard,* I do not know what the hon. member wants to correct.

Mr. GILLIS: First, the hon. member made the flat-footed statement that I said subventions were no good. He will find in *Hansard* that on two other occasions I thanked the government for the assistance given to the Nova Scotia coal-mining industry by way of subventions.

Mr. HANSON (Skeena): The hon. member has changed his mind.

Mr. GILLIS: No; I did not change my mind, I appreciated and do appreciate that assistance, but the point I make is that since the subventions were inaugurated and coal moved westward, that industry has lost other markets somewhere, because according to the government figures production has decreased, and I know that unemployment has increased. I say that I see no benefit accruing to the men who dig the coal, because from 1921 until the present they have lost 37½ per cent of their wages, and I cannot see where their standard of living has increased. I say that assistance is necessary, and probably will have to be increased because apparently we are losing the markets somewhere else while we are pushing our coal further west.

Mr. KINLEY: So far as subventions are concerned it is my understanding that the purpose is to enable the commodity to reach markets which otherwise it could not reach. And the subventions have done just that, because in 1939-40 there were 2,600,000 tons coming to the upper Canadian market and in 1938-39 the amount was 1,300,000 tons.

We must not forget that the government has been pretty generous to the coal-mining industry of Nova Scotia. I have no coal mining in my constituency. The hon. member for Cumberland and the hon. member for Cape Breton South have a local interest in this coal-mining business. I have, however, a general interest as one who is intensely interested in Nova Scotia generally. In my county we are, however, also interested in foreign markets and we use coal. Canada is a cold country, and to keep warm is an important matter. The government of Canada has been very generous, and the men who represented Nova Scotia here and who secured these subventions, with the assistance of the premier of Nova Scotia, ought to be commended. The subventions are splendid. I am told by men who know, that the industry could not survive as a national industry without the subvention, so I hope it will be continued.

With regard to British coal I am told that the price at the present time is advancing in Great Britain and freight rates are also high so that you really must have some special concession in order to get coal at all from Great Britain. I am informed that during this week immense quantities of coal have come up into the province of Quebec from the United States for the purpose of supplying war-time industries. Look at what this United States coal has to face. There is the exchange which is around 20 per cent; there is a 10 per cent excise tax, and the duty. It seems to me that might be called adequate protection. When this coal comes in in such quantities over such hurdles it is hard to talk on economic grounds.

I am told that there is not the slightest danger to Cape Breton coal or Nova Scotia coal. The cheapest coal to mine is in Cape Breton; the mainland mines bring up the average cost of production. But I am told that there is not the slightest danger because there is room for all. During this winter time any English or Welsh coal that will come to the maritime ports cannot get up the St. Lawrence on account of ice, and it will not get the $2 subvention to Montreal or $2.50 to Toronto. Surely that is a preferred position for the industry in this country. I think the hon. member should say that this government has done well by the coal-mining industry of Nova Scotia.

Let us look a little further. Under the legislation now before the committee we are restricting petroleum products. Some time ago there was an order in council which prohibited the use of petroleum for heating purposes in this country under certain conditions. That is all to the benefit of the coal-mining industry. We are putting back the clock, as it were, in the interest of the coal-mining industry; that industry is being helped because it is in the national interest. It occurs to me that my hon. friend is using a local economic problem in arguing against an item that is inserted because of the national interest and with an international aspect.

This legislation is for a purpose, that of stabilizing exchange as between the three great countries concerned in this war. It seems to me that if there is anything we can do in order to stop what might be called a financial traffic jam in the flow of money between the three countries, it should be done. All

three will be benefited; and surely we in Nova Scotia need not put the red light of danger before this parliament in connection with that matter. It may be we should put the orange light of caution on so that we may watch it in future. But I think that with the reduction of 35 cents duty a ton on coal, there will not be very many people hurt.

The hon. member for Cape Breton South said that the 3 per cent excise duty was taken off United States coal when we raised the subvention a year or two ago. That is only 5 cents a ton; it is very little. The whole problem resolves itself into one of whether we must have teamwork for the interests of the whole country. If the British can send us some coal, if only for ballast for ships that go over there with the goods we produce, it is better than having them return to Canada empty. It will also mean that perhaps we shall have British coal, which will help the exchange situation, instead of more coal from our southern neighbours who are rich in exchange.

Mr. GILLIS: I tried to have my remarks relevant to the matter before the committee. In 1939, approximately $18,000,000 worth of bituminous coal came in from the United States. I have tried to be patriotic. If we are going to market British coal in Canada on the basis of conserving foreign exchange, then we should exclude as much as possible of the United States product, and give the preference to Great Britain. The coal should be zoned, so that it would not dislocate the present Canadian market.

Mr. ILSLEY: It will not.

Mr. CASSELMAN (Edmonton East): I am not a coal expert; I cannot quote figures, or anything of that kind, but I am from a province which to-day produces the second largest amount of coal in Canada. I refer to Alberta. It is safe to say that if we had the markets we ought to have in Canada, and that if we have any sort of national policy, then certainly we have the capacity in Alberta to produce very much more coal than any other province, or, in fact, than all the other provinces put together.

The measure with which we are dealing has for its purpose the conservation of foreign exchange, and has particular reference to the exchange position with the United States. I have before me some figures submitted by the western fuel dealers association, and I believe I may assume they are correct because they check with the figures appearing in the "Canada Year Book." In 1939, we imported from the United States 2,605.735 tons of anthracite. It may be argued that anthracite is needed, that it cannot be supplanted, and that we cannot put bituminous coal in its place. The value of that coal is placed at about $27,000,000. In addition to that, we imported 9,836,110 tons of bituminous coal to a value of almost $63,000,000. If we add the $27,000,000 to the $63,000,000 we have a total of $90,000,000. Then, to that total could be added United States coke to the value of about $3,000,000.

If the government are really serious about this business of trying to save foreign exchange, surely I have shown a field which should be carefully explored by them. I may be asked what can be done. True, our coal is under subvention at the present time. I would, however, suggest to the government that, on account of the wheat situation in the west, a much smaller amount of wheat is moving along our railways. For that reason I assume rolling stock would be available for the movement of coal. I submit that the government might very well take up with the railways the matter of moving more coal to the east, and of having the railways reduce the present rate of $8, one which I believe applies to most of Alberta. If it were reduced only to the extent of 50 cents a ton, such a reduction would enable Alberta coal to go farther into Ontario.

My personal view is that it would be good business if the present subvention of $2.50 a ton were raised to $3, to serve that portion of Ontario which is not now covered by the $2.50 rate. I suggest that the government might very well take this matter into consideration, and for this reason: From all sides of the House of Commons we have heard discussion respecting national unity. It is admitted that practically all the war contracts are placed in the two central provinces. We in the west and the maritimes in the east are not receiving many contracts. We are not complaining, particularly, because, handicapped through lack of power, we have not as good facilities to offer. The fact remains, however, that we have some facilities which might be used. But if power is necessary, and since it is recognized that coal is a big factor in the development of power, I believe the part of Canada from which I come might be given further consideration in connection with the development of war industries.

My point is this: At the two extreme ends of Canada we have not the necessary industries. We still have a great deal of unemployment, much of which is in the coal-mining areas. In the winter time many of our farmers act as both farmers and coal miners. Many of the farmers are capable of doing

coal-mining operations, and in that way they fill in their time and help fill out their limited incomes.

When we are thinking of national unity, I suggest that this is something we might keep in mind. The government should try to devise a policy which will give the people in the section of western Canada from which I come an opportunity to do something worth while. The more tons of United States coal which, through a measure of this kind, can be kept out, just to that extent do we save United States exchange. That is the purpose behind the measure before the committee. I leave the matter with the government, so that they may think about it.

Mr. BRUCE: I was absent from the house this afternoon when the hon. member for Renfrew South (Mr. McCann) challenged the statement I had made earlier. Therefore I ask to be allowed to revert to the discussion of item ex 152 in the schedule.

The hon. member states that I deliberately failed to give the committee the proper information. Then he refers to his having interjected something into the debate of a few days ago. The hon. member states that when the leader of the opposition was speaking, he interjected that it took twenty times the quantity of ordinary tomato juice as sold in cans to produce the same amount of vitamin C as is produced by orange juice sold in cans. The hon. member is reported at page 654 of *Hansard* as follows:

> But not in the same quantity. It takes twenty times as much tomato juice to give the same quantity of vitamins.

The hon. member makes no reference to its being in cans. In my statement today I clearly stated, in two paragraphs, that I was referring to juice from sieved Canadian canned tomatoes. I picked them out, specially, because I did not think it was too much to ask Canadian housewives at this time, when economy is necessary, and when the Minister of Finance is asking us to tighten our belts, to spend a little time in putting tomato juice through a sieve, particularly when the vitamin content is considerably increased by so doing.

If the hon. member prefers, I will give the figures respecting canned tomato juice which has not been put through a sieve. The amount of milligrammes per ounce in that instance stands at 4.9, using the figure given for the best brand selected from eight or ten different brands of tomato juice. If we take that as against 11.3 of orange juice, it gives the vitamin content of orange juice as being about 2¼ times more than tomato juice.

Mr. KINLEY: Of the one vitamin?

Mr. BRUCE: Vitamin C, which is an important vitamin and one of great importance in nutrition. I have given these figures from table 3 of the report referred to, which has to do with the content of vitamin C in canned tomato juice. My hon. friend referred to it to-night, but he did not refer to it as canned tomato juice in his speech the other day.

I should like to give the average vitamin content which is given here in case I am accused again of not giving all the information. The average vitamin content of all brands of tomato juice is 3·6 milligrammes per ounce, while the average of all orange juice brands from various parts of the United States is 12·5 milligrammes; that is the average vitamin content in orange juice is less than four times greater than in canned tomato juice. I fail to understand why an hon. member who, I am sure, is interested in helping Canadians to dispose of their products and who, I am also sure, is interested in educating the public in the nutritional value of the tomato, should take the stand he has. The tomato is grown in every garden in Canada, by poor as well as by those able to afford orange juice. I would have thought that he would be interested in even exaggerating the importance of our own product.

Mr. REID: Who shall decide when doctors disagree?

Mr. BRUCE: I am quoting from a report of an investigation which was undertaken in Toronto for this specific purpose. I think the evidence is perfectly clear and I leave it to the committee.

Mr. KINLEY: The hon. gentleman has referred to the value of juices in an evident attempt to extol the Canadian tomato. He is to be complimented upon that, but I want him to know that in Nova Scotia we think the apple is superior and we recommend it to the people of this country.

Mr. JOHNSTON (Bow River): Coming back to this coal question, I want to say that with resolution 6 we went to special lengths to assist Canadian industries which are a little hard pressed.

Mr. ILSLEY: My hon. friend seems to have the wrong idea. It is not a case of relieving industries, it is a case of getting industries to do a job for us and making a tax concession if they will do that job.

Mr. JOHNSTON (Bow River): I am glad the minister brought that to my attention. In order to get these industries to do the

job efficiently, we have to guarantee them a profit. We are guaranteeing them a profit of 24·4 per cent—I think that was the minister's statement—above their normal profit.

Mr. ILSLEY: I do not want to get into any altercation over the Excess Profits Tax Act at this time. There is no guarantee of a profit to industry. If there was any guarantee, there would be no difficulty. Many of these companies risk as much as half a million or a million dollars. They cannot, unless some concession is made, make these large capital investments to meet a demand in what may prove to be a temporary market. I do not know whether they can or not, but they will not. I do not wish hon. members or the country to think we are taking power to hand out concessions to industries because we want to put them in the profit-making class or guarantee them a profit. Not at all, it is a question of asking them if they will produce so much exchange for us, in which event we will make certain concessions in connection with their depreciation or depletion or by way of tax credit.

Mr. JOHNSTON (Bow River): Nevertheless it is a concession to those industries. As the minister says, they may not make a profit, but if they do make a profit they are entitled to 20·4 per cent above the normal profit which they have made in the past three years. We take 75 per cent of the excess profits, but we leave them with 25 per cent.

Mr. ILSLEY: Twenty-five per cent of what?

Mr. JOHNSTON (Bow River): Twenty-five per cent above the average for the past three years, which was used as a basis. The minister corrected the hon. member for Rosetown-Biggar (Mr. Coldwell) and said that it worked out to about 20·4 per cent.

Mr. ILSLEY: From what the hon. gentleman says, I am not at all sure that he knows what the 25 per cent is of. It is 20·5 per cent of the profit. That is, if they make a dollar profit, this tax takes 79½ cents.

Mr. COLDWELL: Of the excess profit.

Mr. ILSLEY: If they make that profit over and above what they made before.

Mr. JOHNSTON (Bow River): I understand that perfectly.

Mr. ILSLEY: Then the provinces usually take some more.

Mr. JOHNSTON (Bow River): But that leaves them a good margin above their ordinary profit. It depends, of course, upon the business they do.

[Mr. C. E. Johnston.]

The point I want to make is that these industries are given every possible assistance in order that their production may be continued. Surely the minister would not say that we have not sufficient coal in Canada to take care of our requirements. As the hon. member for Edmonton East (Mr. Casselman) and the hon. member for Cape Breton South (Mr. Gillis) pointed out, we have an abundance of coal. What I am worrying about is why we should want to import more coal from Great Britain when we have thousands of people unemployed.

At Drumheller in my constituency there is one of the greatest coal industries in Canada. Every time I go there, these men come to me and wish to know what the government is doing. They say that all they want is a chance to work. I shall have to go back after this session and be faced with their questions as to why this government is letting in this coal from Great Britain. These men are sitting along the railroad tracks without any work to do. I cannot explain to these men that they are supposed to remain on the relief rolls, that their families are supposed to continue to suffer because they cannot get enough work to buy food and clothing. Yet here we are reducing the tariff so that coal from Great Britain may come in. I am not against coal coming in from Great Britain because we should give that country every assistance, but we should be consistent in our actions.

As the hon. member for Queens-Lunenburg (Mr. Kinley) has just said, it is quite possible that coal will be brought from Great Britain as ballast. It might prove to be in the interests of the shipowners to bring coal in as ballast, and if that is done the eastern mines will not be able to compete. It will only aggravate the situation in the east, which is already getting beyond our control. If there was not enough coal here, then I would say, bring it in from Great Britain.

We should shut off coal coming from the United States and thereby save in foreign exchange. I spoke at some length last session in connection with conserving foreign exchange by this action. If I remember the figures rightly, we would save something like $50,000,000 in foreign exchange if we produced our coal requirements in Canada instead of bringing them in from the United States. This would seem to be commendable action for the government to take. If that were done, then I would have no objection to coal coming in from Great Britain. But when we allow all this coal to come in from Great Britain and thus aggravate our labour troubles, it does not seem logical to me.

Then we have a situation in the west with regard to wheat. We are now going to shut off the farmers; they are not to be allowed to make a profit of any kind. The coal miners are now going to be shut off and not be allowed to make a profit of any kind. The Minister of Labour (Mr. McLarty) is going to have difficulties on his hands because of the increased importations of coal that will be coming in, and I think he might very well review this legislation with respect to its effect on the coal industry of Canada. I think he should at least restrict the amount of coal coming in from the United States by the tonnage that we shall be importing from Great Britain. These importations will only aggravate the present unfavourable conditions in this whole industry. If we are going to preach unity to the people of Canada, let us be logical about the whole matter. While coal importations from Great Britain may not affect us very much in the west, the coal industry in eastern Canada is going to be seriously affected. Coal is a national problem, and I think the government would be well advised to formulate a national coal policy for the benefit of all Canada and not for just one section of it.

Section agreed to.

On section 8—Agreements to grant assistance.

Mr. DOUGLAS (Weyburn): I want to register my protest against what was said by the hon. member for Lake Centre (Mr. Diefenbaker) this afternoon. I am absolutely opposed to the principle contained in this section whereby parliament surrenders to the executive the power to declare by order in council what persons shall be compelled to pay a certain tax and what persons shall be exempt from paying it. From the point of view of democratic government this is a most dangerous and unsound principle.

I suggested to the minister yesterday that producers who wanted to increase the prices of their goods should appeal to the war-time prices and trade board, and the minister replied that the board would be simply swamped with applications. I can tell him that I imagine he will be swamped with applications under this section. Once he has the power of recommending to the governor in council the granting of exemptions, a great many firms will apply to him for the benefits of that exemption; and instead of being able to satisfy anyone, this power will only lead to a great deal of dissension and, what is more serious, to many charges of favouritism and special privileges. Here in Canada for the first time the governor in council takes power to say that this firm or group of firms shall in certain circumstances be exempt from taxation under the Income War Tax Act and the Excess Profits Tax Act.

Mr. ILSLEY: This is not the first time at all. Under the Income War Tax Act the Minister of National Revenue has power to fix rates of depletion and depreciation. Indeed, if he were so minded, he could fix one rate of depletion for one firm and another rate for another. As a matter of fact, a board is sitting in this city at the present time to make special arrangements about depletion and depreciation for war-time industries. It is doing that under order in council passed under the War Measures Act. The War Measures Act confers powers a thousand times greater than this and gives a power of discretion a thousand times greater than this.

Mr. DOUGLAS (Weyburn): But the minister will remember that when that power was granted last year, we protested vigorously. This is an extension of the same principle, a principle which was never acted on prior to the outbreak of war. I register my protest against conferring these powers because I think it will inevitably lead to charges of favouritism and special privileges, and it will not make for the best type of morale in fighting this war.

May I ask the minister if he would give the assurance or include a provision that orders in council granting these exemptions or partial exemptions will be made immediately available to the members of the house. I do not mean tabling the orders in council six months afterwards; I mean publishing them immediately in order that the public may know the terms of the exemptions that are granted under this section.

Mr. ILSLEY: I was about to move an amendment to this section in line with what I stated earlier in the debate, but I do not go as far as the hon. member is now suggesting because I do not think it is necessary.

The amendment I propose, Mr. Chairman, reads:

That section 8 be amended by adding thereto as subsection (2) the following:

(2) Whenever an agreement has been entered into under the authority of this section a copy thereof shall be laid before parliament by the Minister of Finance within fifteen days if parliament is then sitting, or if parliament is not sitting, within fifteen days after the opening of the next session of parliament.

Then the hon. member will have a chance to check us up, but I can tell him that we are pretty careful. I would ask my colleague to move the amendment.

Mr. McLARTY: I move accordingly.

Amendment agreed to.

Section as amended agreed to.

Sections 9 and 10 agreed to.

On schedule 1.

Mr. ILSLEY: Mr. Chairman, by an inadvertence the printer or the law branch has included in part II of schedule 1 an item relating to apple pomace. It is item ex 99b—"apple pomace when imported for use in Canadian manufactures." That is all right. I am moving that that be inserted, although it has not been preceded by a resolution. The committee will remember that we took out the wording "when imported for use in Canadian manufactures," when dealing with the item in part I, but it is being put in part II where it does not do any harm at all. As it is printed, I should like to have it stand, because it will save reprinting.

Mr. McLARTY: I move:

That part II of schedule 1 be amended by adding thereto item ex 99b—apple pomace when imported for use in Canadian manufactures.

Amendment agreed to.

Schedule as amended agreed to.

Schedule 2 agreed to.

Bill reported, read the third time and passed.

THE ROYAL ASSENT

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

Ottawa, December 6, 1940.

Sir:—I have the honour to inform you that the Right Hon. Sir Lyman P. Duff, Chief Justice of Canada, acting as deputy of His Excellency the Governor General, will proceed to the Senate chamber at 9.30 p.m., for the purpose of giving the royal assent to certain bills.

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

ST. LAWRENCE WATERWAY

STATEMENT AS TO ORDER OF UNITED STATES SUPREME COURT PERMITTING TEMPORARY DIVERSION AT CHICAGO

Right Hon. W. L. MACKENZIE KING (Prime Minister): Perhaps the house will allow me to give to my hon. friend the member for Davenport (Mr. MacNicol) some information he asked me for a little earlier in the day with regard to the Chicago diversion. I might mention to the house that the Minister of Pensions and National Health (Mr. Mackenzie) has a statement which he wishes to make in respect of rehabilitation and matters of orders in council and the like which it was promised would be made before the session is over.

That I think, is the only business. After the minister has made his statement, the house might suspend its sitting until 9.30 p.m.

What I wish to give to the hon. member for Davenport, if the house is agreeable, might be placed on *Hansard*.

Some hon. MEMBERS: Agreed.

Mr. SPEAKER: By leave of the house.

Mr. MACKENZIE KING: As the hon. member for Davenport mentioned, the press recently reported that the United States supreme court had permitted the Chicago sanitary district to increase its diversion from 1,500 to 10,000 cubic feet per second for ten days beginning December 2.

The main provision of the supreme court order issued on Monday, November 25, is as follows:

Upon consideration of the motion of the states of Wisconsin, Minnnesota, Ohio, Pennsylvania, Michigan, New York and Illinois, and in accordance with the following stipulation, it is ordered that the sanitary district of Chicago be and it hereby is authorized to increase its diversion of water from the great lakes-St. Lawrence system or watershed through the Chicago drainage canal from 1,500 cubic feet per second in addition to domestic pumpage to 10,000 cubic feet per second in addition to domestic pumpage for one continuous period of ten days from an appropriate hour on December 2, 1940, to the same hour on December 12, 1940, after which period all the provisions of the decree entered April 21, 1930, shall be and remain in full force and effect until further order of this court.

The stipulation contains statements that the agreement between the great lakes states and Illinois is not to be construed as in any way waiving, abandoning or prejudicing any of the positions taken by these states and is:

....not to be used as a precedent for any future request for additional temporary diversions in excess of the amounts fixed by the United States supreme court decree of April 21, 1930.

The Special Master, the Hon. Monte M. Lemann, in suggesting this agreement, said:

....it would be solely for the purpose of trying by this means to remove whatever slocculent active sludge deposits and sewage sludge may have accumulated in the Brandon road pool by reason of the introduction of untreated sewage and sludge from treated sewage.

It will be noted that the increased diversion is limited to ten days and that it is

stipulated that it is not in any way to constitute a precedent. By meeting in this temporary fashion any substantial element there may have been in the Chicago sanitary district's contention that an increased flow might be necessary for sanitary reasons, the court has removed any possible ground for urging an increased permanent diversion.

The attitude of the supreme court to the general question of Chicago diversion is clearly set forth in a decision on April 3, 1940, with regard to a request from Illinois for a permanent increased diversion. The decision will be found in the *Congressional Record* of April 17, 1940. It will be seen that the court said that the state of Illinois had failed to show that it had provided all possible means at its command for the completion of the sewage treatment system, and that no adequate excuse had been presented for the delay.

SOLDIER REHABILITATION

STATEMENT WITH RESPECT TO PROBLEMS OF POST-WAR RECONSTRUCTION.

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): Mr. Speaker, I had a statement prepared dealing with the general question of the programme of the government respecting the rehabilitation of ex-service men. I sent that statement this morning to the leader of the opposition (Mr. Hanson) and to the leaders of the other groups. With the consent of the house I should like to have that statement, which is entirely informative and interpretative of the various orders in council and the policies already adopted by the government, placed upon the records of this house.

The house has been informed by several of my colleagues of the tremendous scope and scale of Canada's war activities from military, industrial and financial standpoints, but we are all acutely conscious that, following the tremendous upheaval of war, there will come the even more difficult problems of post-war reconstruction, with which my own department, that of Pensions and National Health, is inevitably associated in the public mind.

There is not only the problem of rehabilitating the ex-service men—that task is already with us, and in a measure has been grappled with—but that is only one aspect of the vastly greater and more complex task of reorganization and readjustment of our whole national life from a war-time to a peace-time basis.

The government has established an organization for the purpose of planning and directing the country's activities during this critical transitional period. Necessarily the existing organization of the Department of Pensions and National Health has been called upon to take an important part in this programme.

Now let us speak of the discharged soldiers and of the after-war problems, dealing first with those concrete and specific measures which have been already taken to provide for the welfare of the men whose services with the forces have already been terminated and with the measures taken looking towards the problem of demobilization and rehabilitation in its broader aspects after the war.

On September 2, 1939, by P.C. 2491, the benefits of our Pension Act and the whole machinery of the Canadian pension commission were placed at the disposal of the members of the naval, military and air forces of Canada who, while serving on active service, suffer disabilities.

In the same way, the dependents of such members of the services who met death in the performance of their duties on active service were brought under the benefits of the existing pension legislation.

Later, in the light of administrative experience, P.C. 1971 was passed on May 21, 1940, providing certain regulations for the guidance of the Canadian pension commission in administering the act in its relation to men on active service in the present war.

The chief principle involved in the order in council of May, 1940, was a clearer definition of the responsibility of the state, in relation to those whose service occurred in Canada.

It was provided that, where the man served in Canada only, the liability for war pension should exist only when disability or death arose as a direct result of the performance of military duties.

It will be realized that thousands of the men on active service in Canada are engaged in their military duties for only a limited number of hours per day and that, in the evenings and on week-ends, they are at liberty in very much the same way as the ordinary civil employees of the government.

In fact, thousands of men are being enrolled in this war with the avowed intention that their service shall take place entirely in Canada. I need only mention the ground crews employed in the air training plan. These men are in uniform and are subject to military discipline because that is the form of organization in which they are employed.

Actually, many of them are living normal civilian lives except for the hours during which they are on duty. Full protection is given where death or disability arise as the

result of the performance of duty. But a number of cases arose in which men were the victims of accident while away from their military duties and under circumstances in no way associated with their service. It was not considered that any claim for war pension should arise from the consequences of accidents and incidents which come to all of us in the course of our ordinary lives.

A special regulation was necessary to meet this set of conditions because the original pension act was based on the conditions of the last war, when the assumption was that every man enlisted would proceed as rapidly as possible to a theatre of war.

A further amendment to the pension legislation was adopted on September 25, 1940, by P.C. 63/5079.

This order in council provides that Canadians who have joined the imperial forces since the outbreak of war shall receive pension at the Canadian rates.

Specifically the order in council provides that the Canadian Pension Act shall apply to persons who were resident and domiciled in Canada at the outbreak of the war and who, subsequent to September 1, 1939, have become members of the naval, military or air forces of the United Kingdom.

The benefits of the Canadian Pension Act shall apply to such persons if they suffer disability or death in respect of which a gratuity or pension is awarded under the laws or regulations of the United Kingdom, provided that the benefits shall be paid to persons who are residents of Canada, and only during the continuance of their residence therein.

The object of this was to provide for pension at the Canadian scale to bona fide Canadians who since the outbreak of war, have joined the imperial forces or been transferred thereto, and who return to live in Canada, or whose dependents, in the case of death, reside in Canada.

The large number of Canadians who have entered the service of the Royal Air Force and of the Royal Navy are, of course, the chief persons affected.

These men have offered their services in the manner in which they can best be applied to the common cause of the empire. I am sure it is the desire of all Canadians that, because circumstances have caused their services to be rendered in the forces of the United Kingdom, they shall not be deprived of the benefits of our legislation in any particular where the Canadian law provides greater or better assistance than would be received under the laws of another part of the empire.

During the present month, a further order in council (P.C. 204-6613, dated November 18, 1940) has been adopted, to meet a problem which many members have had drawn to their attention. It is necessarily and rightly the function of the armed forces to have on their strength only men who are fit for service, or who are expected to recover from any accident or illness which they experience, and return to service.

As soon as it is determined that a man is no longer fit for service, he has no place in the armed forces, and he is very properly discharged.

It was found, however, that the Department of Pensions and National Health had no authority to admit men to hospital after their discharge, unless and until it was ascertained that the disability was pensionable. The new order in council overcomes a very serious difficulty.

It is now provided that, if a man is in hospital under the department at the time of his discharge, treatment shall be continued, and a special allowance equal to assigned pay and dependents' allowance to the man's dependents shall be continued until treatment is concluded, or it has been determined whether the man is eligible for pension.

If a ruling is given that the man is not eligible for pension, the allowance shall continue for a period of seven days thereafter. Treatment, however, may be continued by the Department of Pensions and National Health until completed.

This order in council will, it is felt, avoid much hardship which would otherwise accrue to the families of men who are found unfit for further military service during the time required to adjudicate on the question of pension entitlement.

There have been approximately 20,000 discharges from the armed services, but many of these represent persons who did some temporary guard duty in their own localities. Some served for a few days or few weeks and the majority were never far away from their own provinces. It cannot be said that their contact with civilian life was completely disrupted for a long period, and in fact the majority have been reemployed.

About 1,000 men have returned from service overseas, about two-thirds of whom have been discharged to civil life.

Although the tremendous amount of war industry and general commercial prosperity resulting from the large war expenditures have created a most favourable employment market in Canada, special problems have already developed in connection with the placement and welfare of these discharged men.

At my personal request, one of my principal advisory officers made a tour of the chief Canadian cities investigating present condi-

tions, and his observations were placed before a general advisory committee, whose functions I intend later to describe in detail.

Following a most careful study of the problem, in the course of which the views and experience of many private organizations and agencies interested in the welfare of the soldier were obtained, the government has decided to create, in the Department of Pensions and National Health, a new division, to be known as the veterans' welfare division.

There will be representatives of the division in all principal centres where such representation is needed and there will be a chief administrative officer at Ottawa.

The duties of this division and its representatives will be as follows:

(a) To interview, advise and assist former members of the forces.

(b) To become conversant with all regulations relating to pensions, allowances, medical treatment, employment, training, social welfare and other policies that may be of assistance to the ex-service men.

(c) To make a study of all occupational opportunities in the areas at which sub-divisions are established.

(d) To encourage employers to reemploy discharged men who were formerly in their service.

(e) To endeavour to secure preference for ex-service men in employment by industry generally.

(f) To keep in constant touch with the employment service of Canada, with regard to available employment.

(g) To obtain information from the Department of National Defence with respect to members of the forces arriving in the several areas for discharge, to arrange for notification to be sent to their families and to encourage volunteer local committees to welcome them.

(h) To maintain contact with veterans' organizations, with a view to fostering interest in the rehabilitation of former members of the forces, and to keep in touch with all other agencies likely to be of assistance.

(i) To develop favourable public opinion regarding the reestablishment of former members of the forces.

(j) To report to Ottawa on the activities and requirements in each district, and upon the results of the various types of reestablishment activity.

At the same time, I am able to inform the house that the auxiliary services of the Department of National Defence have instructed their local representatives to establish contact with all men at the time of discharge, and refer them to facilities that have been organized to assist in their reestablishment.

With the creation of the veterans' welfare division to coordinate civilian activities, a complete liaison will now be established, so that the man will be informed of all measures available to assist him in his return to normal civil life.

Prior to the establishment of the veterans' welfare division, measures had been taken in all chief centres to bring together the voluntary agencies desirous of assisting the ex-service men. The representative of the department, whose tour of Canada I have just described, held meetings in the following centres: Montreal, Quebec, Saint John, Halifax, Kingston, Toronto, London, Winnipeg, Regina, Saskatoon. Calgary, Edmonton and Vancouver.

In many of these centres he found citizens' committees already in existence, awaiting only some guidance and official machinery which would bring them into direct contact with the problem. In other centres representative groups were called together and arranged to create such committees. The form which the committees take will vary, according to the desires of the community itself.

Thus, in New Brunswick it was decided to ask the Red Cross society, which has branches in every community, to undertake the formation of committees throughout the province to interest themselves in the placement of men returned from overseas.

In several cities, particularly in the west, it was felt that the already established machinery of the veterans' assistance committees should be utilized and it was decided to add to the personnel of the voluntary committees to make them more broadly representative of the community at large and of those in a position to assist.

In Toronto, a citizens' committee, consisting very largely of outstanding industrial leaders, was in existence and had already placed some 250 men. Other organizations, such as the greater Toronto war services advisory council, agreed to cooperate.

One large industrial company has agreed to offer the facilities of its personnel division as a centre in which any official selected by the government might be trained in vocational guidance and placement work in the Toronto area, without cost to the public. I wish to express my personal appreciation of this splendid offer, because it is very evident that trained placement and vocational guidance personnel will be required by the department in increasing numbers as the problem develops.

As an illustration of the type of voluntary committees now being formed, it is interesting to note that in Saskatoon there were

representatives on the committee of the Canadian Legion, of organized labour, of the government employment service, of the youth training programme, and of the board of trade.

It is the desire of the government that organizations such as these shall be represented in the local committees on as wide a basis as possible and I wish to express my personal appreciation of the extreme willingness to cooperate which was found in all parts of Canada.

Generally speaking, the problem of employment is not acute at the present time, although, admittedly, there are individual problem cases which can best be handled by these local committees familiar with the personal and family history of the men themselves and with the local conditions to which they must be adjusted.

At this stage, I should like to inform the house that amendments to our pension legislation have so far been enacted by order in council under the authority of the War Measures Act. This was considered essential in order that problems arising out of administrative experience might be dealt with promptly.

It is intended, however, at the present session of parliament to introduce a bill incorporating into the act the amendments already adopted by order in council, in order that they may have the consideration and sanction of parliament.

I am particularly anxious to bring these matters before the house in order that the whole question may be considered by a committee of the house in consultation with the government's principal advisers such as the chairman of the Canadian pension commission and the officers of the Department of Pensions and National Health.

The several amendments adopted to date were the result of very careful study and deliberation by staff committees and the government as a whole.

Nevertheless, there is no desire on the part of the government or the department to assume the role of omniscience in connection with this very human and complex problem.

The government is most anxious to receive the cooperation and advice of this house in connection with its pension legislation, and I look forward with keen anticipation to the work of the committee to whom the house will be asked to refer the bill, which it will be my duty to present at an early stage of the present session.

The foregoing measures just described are applicable especially to the men now being discharged, and constitute the nucleus of legislation and administrative measures out of which will be developed the nation's programme for the demobilization period, when several hundred thousands of men will suddenly be transferred from war-time to peace-time activities.

[Mr. I. A. Mackenzie.]

It was recognized from the outset that the demobilization period calls for long range planning, and that no single government department could begin to cope with a problem of such magnitude—affecting as it must every phase of the national life.

On December 8, 1939, by P.C. 4068½, the government created a special cabinet subcommittee on demobilization and rehabilitation to study and advise upon measures which will be required to meet the problems arising from demobilization and the discharge from time to time of members of the forces during and after the war.

The Minister of Pensions and National Health was designated as convener of the committee and the other members are the ministers of Public Works, National Defence, Agriculture, Labour, and the Hon. J. A. MacKinnon, who is now the Minister of Trade and Commerce.

The cabinet committee was authorized to appoint advisory committees selected from the personnel of government departments and to consult provincial and municipal authorities and public service organizations generally.

A general advisory committee, under the chairmanship of the Canadian pension commission, was organized and a series of subcommittees dealing with specialized phases of the problem was formed.

These committees have been functioning for some months and exceedingly valuable preliminary reports have been received.

However, this fall, it was found necessary to give legal status to the advisory committee and this was done by P.C. 5421, dated October 8.

It is provided that the advisory committee shall consist of:

The chairman of the Canadian pension commission, who shall be chairman;

The chairman of the war veterans' allowance board, who shall be vice-chairman;

And of the following members:—

The chairman of the civil service commission.

The deputy minister of labour and two other members nominated by the Minister of Labour.

The deputy minister of public works and two other members nominated by the Minister of Public Works.

The director of auxiliary services, Department of National Defence, and two other members nominated by the Minister of National Defence.

Two members nominated by the Minister of Agriculture.

The deputy minister of pensions and national health, and two other members nominated by the Minister of that Department.

Two members nominated by the Minister of Finance.

One member nominated by the Minister of Trade and Commerce.

Broadly speaking, the chief governing principles which are guiding the committee in its work may be stated as follows:—

1. To avoid duplication of machinery and clashes of jurisdiction on the one hand, and to avoid gaps in administration on the other.
2. The Employment Service of Canada established under the Unemployment Insurance Act will give specialized attention to the placement of ex-service men.
3. Information, guidance and directional services to be furnished by the Department of Pensions and National Health.
4. Pension and other legislation to be extended and modified from time to time, to meet the new conditions of the present war, as may be found advisable.
5. The work of the general advisory committee to be kept strictly advisory in character —administrative responsibility being assumed by appropriate departments and branches of the executive government.

Prior to the passing of this order in council, the work was being done almost entirely by government officials. But authority has now been granted to name recognized experts from outside the service to assist on the subcommittee.

The general advisory committee is also authorized to bring before it persons specially qualified to advise on any matters coming within its terms of reference.

A small secretariat has been established for the purpose of compiling the results of the efforts of the committee and its several subcommittees.

I have already indicated very largely the extent to which action has been taken as a result of the deliberations of the cabinet committee and the several staff committees. But it will be of interest to the house to know in a general way the subjects under reveiw by the various subcommittees.

Subcommittee on post discharge pay and service gratuity: This committee is by no means satisfied that the gratuity paid to every discharged man at the end of the last war constituted the most scientific and effective use of the very large sum of money involved in the interests of the ex-service men themselves, and is making a comprehensive study of possible alternative measures—taking into account the deferred pay situation, the rates payable by the unemployment insurance commission, training allowances, and similar factors.

Subcommittee on vocational and technical training and retraining. There is a strong sentiment in this committee in favour of occupational training—

For those who are disabled in such a way as to prevent them from returning to their former occupations;

For those who have served for twelve months and whose technical, academic, or industrial training or education has been interrupted;

For others, honourably discharged after twelve months' service, who are considered by competent vocational guidance officers by reason of their age, aptitudes and inclinations to be benefited from such training.

In this connection, the work of the Canadian Legion war services, in affording secondary education facilities to the men while serving, has been noted with great satisfaction.

The work of the committee has been divided into specialized groups dealing with allowances, a survey of technical courses, a survey of agricultural courses, training for public survice opportunities, documentation on vocations and employment opportunities.

In the study which this committee has already made, there has developed a feeling that the maximum use should be made of the youth training plan already established under the Department of Labour, in cooperation with the several provinces.

It is also felt that provincial and local facilities should be utilized in any programme developed under this heading.

Subcommittee on retraining of special casualties. This committee has been especially concerned with the blind, the deaf, the maimed, etcetera.

In this connection, definite decisions have been made affecting those who may lose their sight.

An agreement has been entered into with St. Dunstan's hospital for the treatment and training of overseas casualties of this nature up to a certain point in England at the expense of the government of Canada.

In connection with those suffering from tuberculosis, it has also been decided that the existing provincial sanatoria shall be utilized, and that ex-soldiers shall be provided with their treatment there on a civilian basis.

There is a pronounced sentiment, among those who have given special study to the problem of amputation cases, that every effort should be made to return this type of casualty to Canada at the earliest possible moment, rather than to prolong their treatment and convalescence in the United Kingdom.

The Canadian National Institute for the Blind and the Amputations Association have rendered very valuable advice and assistance to this committee, and I wish to express my cordial appreciation of the voluntary cooperation received from these quarters.

Subcommittee on home settlement. This committee has made an intensive study of the soldiers' settlement schemes of the last war and is disposed to recommend a more limited measure of assistance which will avoid the setting up of burdensome debt contracts. It will also bear in mind that the permanent settlement of the ex-service man and his family in a home whether in the town or in the country is the ultimate aim.

Subcommittee on administration of special funds. Following the last war, it will be remembered that there were surpluses from the patriotic fund, canteen funds and various other sources which were devoted to the welfare of ex-service men. None of us is altogether satisfied that these funds were applied to the best advantage. It is contemplated, therefore, that a very close eye should be kept on the probable extent of any such special funds, and that the proper steps be taken to ensure that the maximum benefit shall accrue to the ex-service men in their rehabilitation.

Subcommittee on preference in public employment. The chairman of the civil service commission is presiding over this committee with a view to evolving such recommendations as may be deemed to be practicable.

Subcommittee on employment service. It is anticipated that the greatly strengthened Employment Service of Canada, under the Unemployment Insurance Act, will be the agency responsible for bringing together the man seeking a job and the job seeking a man.

It is contemplated that there will be a special service for ex-service men in this department.

This subcommittee has developed a form upon which the vocational experience and aptitudes of men in the services may be recorded, and this form has already been found to be of great value to the Department of National War Services in connection with any redistribution of labour which may be found necessary, in order that the country's man-power may be applied to the greatest advantage in our war effort.

I have enumerated the subcommittees now existing, but it is recognized that these by no means exhaust the field to be covered.

It is contemplated that additional committees will be formed to take up other fields of investigation, such as—

Returned soldiers' insurance.

Distinctive badging for ex-servicemen.

Organization of voluntary effort.

Cooperation of provincial governments.

Urban home settlement.

General family welfare.

Preferences in employment and public services other than dominion and in industrial and commercial enterprise.

Post-war public works.

It may be found advisable to cover even wider territory as time goes on.

In repaying our debt to these men we must neither patronize nor demoralize our service men. We trust we shall not make our efforts in this regard matters of political controversy.

Our men of Canada will fight a great fight; our men of Canada must be given the chance to finish the course with a fair field. We at home hold all Canada in trust for their return. They must never be permitted to return to a devitalized homeland.

Parochialism would be a grave disservice to men fighting and dying for this dominion and this democracy.

We cherish our federal framework of government. As long as we are truly federal we can never be fascist. We are conscious that unitary government would be destructive of unity in Canada. But our men are fighting for Canada, not for any local or parochial aim, and therefore we must realize and recognize that the remaking of Canada will constitute the major post-war reconstruction into which all our rehabilitation plans must be shaped and fashioned.

In all this work of planning and perfecting of rehabilitation arrangements, we must reinforce the patriotism of those whom we seek to help. Their opportunity of serving their country in war must be enlarged for service in peace, when peace comes. Consequently, home settlement, training, and employment will bulk largely in our plans and our policies.

The blueprints for the main fabric are in the Rowell-Sirois report. It is fitting that at this time there should be called a dominion-provincial conference to lay the foundations of the structure in which a living democracy can grow and develop.

When our young men are offering their lives as they are to-day, we who are less fortunate must not be less generous in the contribution which we should make to our nation, to the sacred cause and the unity of our nation.

I have always felt that the essentials of our Canadian citizenship can be stated very simply. They involve consent—the will to live together worthily; conservation—the preservation of our liberties and institutions; cooperation—conference with one another and courtesy.

But, most important of all, contribution—both individual and corporate.

Our ancestors have won for us many rights—sometimes we have taken these for granted—that life, liberty, and the pursuit of happiness are the inalienable rights of every citizen of a true democracy. This was a banner for every man on this continent and all over the world.

Now I think we must go farther. Our method has served us well but the tempo of democratic action must be speeded up, and the purpose of our whole way of life must be reaffirmed and reestablished.

Let us capitalize the deficiencies of the totalitarian schemes and values. Democracy in the days to come must roll up a counter-revolution that will recall everywhere to the banner of human freedom all the resurgent elements of human progress and definite reforming purpose, all free men and free women who believe in the necessity of constant endeavour and of constant change.

Harold Laski, in his latest book, has said and they are very true words:

> Our choice is between the dark age of privilege and the dawn of an equal fellowship among men.

Progress, combined with consent, will avoid the legacy of bitterness and hatred that extremist policies would leave behind.

We war to-day against a fanatical creed combined with fiendish efficiency and cosmic aims.

In our life and death struggle to win, we must satisfy the craving of the ordinary man for a dynamic creed and a burning faith in a new social justice that will move the mountains of despair.

Our ancestors won for us liberties which are now the great pillars of democracy—liberty of speech, thought and writing; toleration, equality before the law, and government of the people.

We shall never know the meaning of these priceless liberties until they are lost to us.

We must now move on to ensure that every man will have the essentials for the pursuit of happiness; facilities for training if there is aptitude and inclination, a widening range and variety of employment, with a sufficiency of food and clothing and shelter and warmth.

With these rights should go minimum duties which will form a sound and solid basis of reciprocal benefit in the upbuilding of our nation.

We must expect our people to serve their country to the utmost of their capacity, but with this expectation and hope there must be fashioned and formed a charter of true democracy, security without slavery, freedom without poverty, progress without violence.

As I have said, we face the difficult problem of laying down equitable pension rules, of establishing ways and means of absorbing men from the armed forces back into civilian life.

It is a long-term programme, as the last war has taught us, which requires our serious consideration even in the midst of this great struggle.

What form of social or economic life is to be our lot following these tragic days, is, I am sure, the deep concern of every man in this assembly. It would indeed be bold to suggest now any specific system which would remedy most of the ills of the days gone by which are now so apparent.

But nothing in the story of human progress is more valuable, in my opinion, than men with inquiring minds.

So that perhaps it would not be amiss to put forward the view that while the "sweet red wine of youth" is being spilt to defend those constant companions along the broad highway of all human progress—yes, and all man's highest dignity, liberty and freedom—we who occupy another form of public service might spend our time at least building the fabric into which may be incorporated a sounder system which will reveal a higher conception of public service.

I do not wish to condemn completely economic, monetary, social systems of the past, but surely our future society can be better built if we benefit from the mistakes of the past and preserve the fundamental principles which existed in the period that lies behind—and supplemented, strengthened and buttressed by whatever constructive thoughts we may each and every one of us contribute to the system in the future.

I am not one of those who subscribes to the very much used phrases "the post-war period of economic chaos"—and—"never again in our time will we see civilization as we have known it."

I believe with all my heart—as does every man in this free House of Commons—that in all adversity lies great opportunity.

I believe in the capitalistic system, or rather in true and controlled capitalism. Capitalism as I understand it—and I am sure you all agree—is simply man sharing in the benefits of nature. In other words—sweat and toil applied to the natural world. Men using their hands and their muscles to create natural wealth and industry, instead of through idleness, enjoying the unearned increment of capital.

I have no prejudice against men who, through success and enterprise, have accumulated some measure of material wealth. But the principle that has been rapidly growing of living off the unearned increment of capital instead of digging and providing capital to mankind has been one of the cardinal departures from fundamental principles, which, to say the least, has caused distress, class distinction and unhappiness.

May I say that, in my judgment, there is no man in this parliament who would not honestly accept his part in the honest mistakes of the past.

I would consider it a great honour and privilege, in these serious days when we are bending our will to the preservation of our very lives, to work with all members regardless of political views.

I assure you, Mr. Speaker, my time will be available to work in cooperation with any member of the house to explore ways of contributing to success and victory in the difficult, terrible and anxious days ahead.

Mr. STIRLING: There are two questions I should like to ask, if I may be permitted. Is it the intention of the government to set up, when we return in February, a special committee to deal with soldiers' affairs?

Mr. MACKENZIE (Vancouver Centre): Yes.

Mr. STIRLING: The second question is this. We have read on a good many occasions recently of from fifteen to twenty thousand men who have been discharged since the beginning of this war. Surely this does not represent the medically unfit.

Mr. MACKENZIE (Vancouver Centre): I shall have to get the information from the defence services with regard to the latter part of the hon. gentleman's question. I have not that information at the moment.

Mr. MacINNIS: I understood the minister to say, in answer to the hon. member, that a committee would be set up to deal with the affairs of returned men. Will there be a committee to deal with the general problems of reconstruction?

Mr. MACKENZIE (Vancouver Centre): No. That committee will deal only with the question of the adequacy of pensions administration and the War Veterans' Allowance Act.

Mr. CASTLEDEN: I believe the minister assured us last July that a health committee of the house would be set up. Can he give us an assurance now that this committee will be functioning in February?

[Mr. I. A. Mackenzie.]

Mr. MACKENZIE (Vancouver Centre): I do not recall such an assurance, but there is an unofficial committee of the house which will act in cooperation with the Department of Pensions and National Health.

SUSPENSION OF SITTING

On motion of Mr. Mackenzie King the sitting was suspended until 9.30 p.m. this day.

The house resumed at 9.30 p.m.

THE ROYAL ASSENT

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

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

Accordingly, the house went up to the Senate.

And having returned.

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

An act to amend the Special War Revenue Act.

An act respecting the conservation of exchange.

On motion of Mr. Mackenzie King the house adjourned at 9.45 p.m. until Monday, February 17, 1941, at 3 o'clock.

Monday, February 17, 1941.

The house met at three o'clock.

GOVERNOR GENERAL'S SPEECH

ACKNOWLEDGMENT OF ADDRESS IN REPLY

Mr. SPEAKER: I have the honour to inform the house that I have received a message from His Excellency the Governor General, signed by his own hand, reading as follows:

I have received with great pleasure the address that you have voted in reply to my speech at the opening of parliament, and thank you for it sincerely.

Athlone

Government House,
Ottawa.

ORIENTALS IN BRITISH COLUMBIA

REPORT AND RECOMMENDATIONS OF SPECIAL COMMITTEE TABLED

Right Hon. W. L. MACKENZIE KING (Prime Minister): I desire to lay on the table

of the house copies of the report and recommendations of the special committee on orientals in British Columbia, which was appointed on October 1, 1940, to investigate the positions of persons of Japanese and Chinese racial origin who are resident in British Columbia, and to report upon the problem of Japanese and Chinese in that province from the point of view of national security, with particular reference to the question of military training.

BITUMINOUS COAL

TRANSFER OF ADMINISTRATION OF CHAPTER 6, 20-21 GEORGE V, TO MINISTER OF MINES AND RESOURCES

Right Hon. W. L. MACKENZIE KING (Prime Minister): In accordance with the provisions of the Public Service Rearrangement and Transfer of Duties Act I desire to lay upon the table of the house copies, in English and French, of order in council P.C. 1055, transferring the administration of the act to place Canadian coal used in the manufacture of iron and steel on a basis of equality with imported coal from the Minister of Trade and Commerce to the Minister of Mines and Resources.

DOMINION-PROVINCIAL CONFERENCE

TABLING OF REPORT OF PROCEEDINGS AND OTHER RELEVANT DOCUMENTS

Right Hon. W. L. MACKENZIE KING (Prime Minister): I wish to lay on the table of the house copies, in English and French, of the published record of the recent dominion-provincial conference. It has been thought advisable to have all the relevant documents brought together in a single volume. This volume thus includes: the letter of invitation to the conference which I addressed to all premiers on November 2, 1940; the replies received from the premiers; my letter of December 28, 1940, outlining the proposed agenda, and, finally, the verbatim proceedings of the conference itself. A general distribution to all hon. members will, I understand, be undertaken to-day.

BUSINESS OF THE HOUSE

INQUIRY AS TO LEGISLATIVE PROGRAMME—REQUEST FOR TABLING OF DOCUMENTS

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, if I am in order I should like at this stage to make some general inquiries of the government, and of the Prime Minister especially, in view of the fact that there is no speech from the throne on the resumption of this session.

First I should like to ask the Prime Minister if he will as soon as convenient make a general statement of the legislation and business of parliament for the remainder of the session.

I would also inquire when the war appropriation bill and the budget will be brought down. I should also like to know when the estimates for the fiscal year ending March 31, 1942, will be tabled.

May I also ask for the publication of the statistics prepared for the dominion-provincial conference in order to bring the statistical computations of the Sirois report so-called up-to-date. The Prime Minister and the house will recall that reference to these statistics was made by the press at the time the conference assembled, and the statement was made that these statistics were ready for production, but for some reason they were not produced. It seems to me it would be of great value to have these revised and up-to-date figures published.

May I also ask the Prime Minister if he will be good enough to let us know when the proposed committee on national expenditure will be set up.

I would also ask that copies of the revisions of the Bren gun contract and all other contracts awarded since the outbreak of war to the John Inglis company be tabled as soon as possible.

May I ask the Minister of Munitions and Supply (Mr. Howe) if he will be good enough to table the latest record of war contracts awarded. The last volume I understand brings us down to August, 1940, since which time several thousands of contracts must have been awarded.

Finally—it may be unnecessary to ask this question because I have been in communication with the Minister of National Defence (Mr. Ralston)—I should like to know the amount spent in the present fiscal year under the National Resources Mobilization Act in connection with the thirty day training period.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, replying to my hon. friend the leader of the opposition (Mr. Hanson), first with respect to the legislative programme of the session, I shall endeavour, in so far as the government is in a position to do so at the present time, to indicate to the house in the course of a day or two the measures that are likely to come up at this session. But I think I should state at once that the main work of the session will relate to essential war measures.

The war appropriation bill, to which my hon. friend has referred, will be introduced

possibly this week—certainly immediately after the estimates of the Department of External Affairs have been discussed in the house.

The estimates for the fiscal year 1941-42 will be tabled this afternoon. The budget I understand will be introduced by the Minister of Finance (Mr. Ilsley) immediately after the war appropriation measure has been disposed of.

It was my intention this afternoon, if it were agreeable to the house, to proceed with a statement on external affairs as an introduction to a discussion of the estimates of the Department of External Affairs. That statement would give a review of the international situation, particularly of the progress of the war as it has developed since the house was last in session, also an outline of the measures relating to the war which have been considered since parliament adjourned. It would also contain a review of the affairs of the Department of External Affairs. It will be open to hon. members, of course, if they so desire, to have that statement followed by debate. I would suggest, if debate is desired, that we follow the procedure which was adopted on a previous occasion, namely, that such speeches as might be made on general policy be made with the Speaker in the chair. When the house goes into committee of the whole, the estimates of the department can then be taken up in detail.

What I shall have to say this afternoon, if the house is agreeable to listening to me, has been prepared with a view to furnishing a background for discussion on both external affairs and the war appropriation bill. It is almost inevitable that many of the questions relating to external affairs which will be asked will relate in large part also to what will be discussed under the war appropriation bill. I think, therefore, it would facilitate the business of the house if it is known at once that the war appropriation bill will, if the house is agreeable, follow immediately upon the discussion of the external affairs estimates.

My hon. friend also asked a question relating to the dominion-provincial conference.

Mr. HANSON (York-Sunbury): For the publication of the statistics prepared for the conference, bringing the figures up to date.

Mr. MACKENZIE KING: I believe that statistics have been prepared bringing up to date matters referred to in the report. They will be tabled immediately.

My hon. friend also asked some questions with respect to departmental matters. Perhaps I had better allow my colleague to reply to those.

[Mr. Mackenzie King.]

Mr. HANSON (York-Sunbury): There was the question of the setting up of a committee on national expenditure.

Mr. MACKENZIE KING: I am sorry I omitted to refer to that. I hope to introduce the motion this week. I would have introduced it at once, but I thought it desirable that the whips should first confer as to the personnel of the committee. It is also necessary under the rules of the house that notice shall be given in the *Votes and Proceedings*.

Were there any other questions?

Mr. HANSON (York-Sunbury): May I interject that I think it would be very desirable that we should confer on the terms of reference to the committee. That I think is just as important as the personnel of the committee.

Mr. MACKENZIE KING: I shall be very happy to confer with my hon. friend. I may say I had in mind in drafting the motion what he himself had expressed before the adjournment, namely, that we should follow as closely as possible the motion as introduced in the British House of Commons. I have had the motion prepared, but I shall be pleased to confer with my hon. friend further with regard to it.

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, in reply to the question asked by the leader of the opposition with respect to the tabling of contracts awarded, may I say that, but for difficulties in connection with printing, I would have been able to table one volume to-day. The printing bureau has two volumes in hand and one of them was promised in time for the opening to-day. As soon as they are ready I shall be glad to table them. They cover contracts awarded to the end, I think, of the year 1940.

With respect to the Bren gun contract revisions, I shall table them at the next sitting of the house.

MAIN ESTIMATES 1941-42

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1942, was presented by Hon. J. L. Ilsley (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

BUSINESS OF THE HOUSE

PRECEDENCE FOR GOVERNMENT BUSINESS ON AND AFTER MONDAY, FEBRUARY 17

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

That on and after Monday, the 17th February, to the end of the present session, government notices of motions and government orders shall have precedence at every sitting over all other business except introduction of bills, questions by members and notices of motions for the production of papers.

He said: As hon. members will recognize, this motion is in terms identical with the one I moved at the beginning of the last session. At that time I thought the house felt itself fully seized of the significance of the session as a war session, and as I recollect it, the house gave its assent readily to the passage of the resolution. I am sure that with such knowledge as hon. members must have of conditions in the world to-day, there will be agreement that the present session should have as much of the character of a war session as any session of parliament is ever likely to have. The government feels that as rapidly as possible we should proceed with the most important legislation relating to Canada's war effort, and that, throughout, the attention of the house should be concentrated as exclusively as possible upon Canada's war effort.

The motion is also similar to the one introduced in the British House of Commons at the first session after the outbreak of war by Mr. Chamberlain, when he was prime minister, and to the motion which has again been introduced at the beginning of the present session of the British parliament by Mr. Churchill. Indeed, the motion introduced in the British house goes somewhat further than the present one, in that it does not permit even the introduction of public bills other than government bills. As it is worded, this motion does not preclude the introduction of bills other than government bills, nor does it prevent the placing of resolutions on the order paper. What it does ask is that the house give precedence to government measures. As I have already said, the reason for giving such precedence is to permit of concentration upon matters which relate to the war.

I would point out, first of all, that such concentration is desired by the government itself, in order that members of the government may be able to devote their time as exclusively as possible to war measures. Hon. members will realize that if private resolutions were to be taken up in the order in which they appear on the order paper, practically all members of the government would have to be present as the resolutions are called, and individual members more or less prepared to discuss them. It is not known when items on the order paper may be reached, or in what particular order they may be discussed. Of necessity, much time would require to be given by members of the government to a consideration of a great variety of questions. It is time which it seems to me can be ill spared at this particular period.

Then there is the hope that the House of Commons itself may concentrate more exclusively on war measures. There is no desire to prevent hon. members from bringing up any subject they believe to be of public importance. There are in fact many opportunities for the discussion of questions which are likely to have any real, public significance. Those discussions may take place while the house is considering the estimates, in connection with the war appropriation bill. In the consideration of the budget other opportunities will also arise. In the event of the house wishing to discuss any particular question of public interest, I should think some arrangement might readily be made as a result of conference with leaders of the different groups.

Not only is there the necessity of concentration by the government and parliament on our war effort. There must also be consideration for the time which will necessarily be exacted from members of the public service. I doubt very much if hon. members can appreciate the load which many members of the public service are carrying at this time, in comparison with what is carried by them in ordinary years. There is not a prominent member of the public service engaged in any war effort work whose time is not already taxed to the limit. To add to the staffs in the service any additional burden at this time would be placing a very heavy load upon them, indeed.

I would say, further, it is necessary that the House of Commons give guidance in these matters to the country itself. I believe the country as a whole will become increasingly war conscious, if that is the correct phrase to use, by the House of Commons devoting most of its time to matters pertaining to the war, rather than if attention throughout the country is from day to day and week to week diverted from the war by the discussion of irrelevant or extraneous matters.

A little later in the day I purpose, as I have said, to make a statement to the house with respect to the international situation as it exists at the present time. I would ask hon. members in considering their attitude towards the present motion, to ask themselves what the impression created throughout the country would be if at a moment of great crisis such as I believe is approaching, and approaching rapidly, this House of Commons should be busying itself with the discussion of some academic resolution or some question which at this time at least does not begin to assume the importance which attaches to problems of war which are uppermost in the mind of the public to-day. I am afraid that people

would feel that we had not a due sense of the gravity of the situation in the world if we allowed the time of this House of Commons to be taken up, at present, or, indeed until after all war measures are disposed of, with the discussion of private members' resolutions.

The government is very strongly of the belief that the world situation is so critical that we should press on with government measures as rapidly as possible, and that they should have precedence. It is for that reason that I have introduced this resolution immediately.

I might add that I would wish it to be understood that the government appreciate to the full the rights of private members in ordinary times, and that the rights, that for the moment are being suspended, should be restored as soon as circumstances justify that course. But the country has sent us here to get on with government business; that is the first charge that is upon us, and in the light of the situation as we know it in the world to-day we feel it our duty to ask the house to join with us in giving to war measures as immediate and exclusive attention as may be possible.

Hon. R. B. HANSON (Leader of the Opposition): This motion I think was anticipated by the house and by the country, even before the notice was given. It is similar in principle, and I think in letter, to that introduced on May 21 last by the right hon. gentleman, which carried then with very little opposition except on the part of one or two private members. The reasons alleged for the motion to-day are the same as those alleged in May last, special emphasis being laid on the fact that the ministers should not be required to attend here to follow discussions of private members' resolutions.

Fundamentally and primarily the resolution was carried last May for three reasons: First, the country was at war, and the situation the same as to-day; second, this is a war parliament and the situation then and now is the same. But primarily it was because the government had a programme of war legislation which it desired to have enacted with the least possible delay.

It was for that reason that I personally, and I believe my friends surrounding me, readily acquiesced in the Prime Minister's motion. But that situation is not present to-day. What have we on the order paper, or what had we until the estimates were tabled and my friend the Minister of Finance (Mr. Ilsley) made the motion which he did to have those estimates referred to the committee of supply? There was no government business on the order paper; therefore the real underlying necessity for this motion is not present to-day. The situation is not as it was last May.

With respect to diverting the attention of members of the ministry from their war efforts, I sympathize with the desire of the Prime Minister that these gentlemen should be unimpeded in their efforts to win this war, although there is much to be said about their lack of effort. But I do not think that many of those hon. gentlemen whom I see facing me on the treasury benches need be detained from their offices to attend here on the discussion of private members' resolutions which are at present on the order paper. They are few in number and, with the exception of one or two, of no importance.

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): That is true. I do not mean—yes, I suppose I might apply that to the members of the government, although that was not the thought in my mind at the moment.

But behind this there is a principle. It has been the privilege of the private member to bring forward views on matters of public importance on days reserved for that purpose by the custom of this parliament since the day there was a book of rules. Last year I made the observation that I hoped the passing of this motion would not be considered a precedent for future sessions, but what I feared then has now come to pass. It has become a precedent for this session and will continue to be a precedent for future sessions for this and succeeding governments. That ought not to be. Hon. gentlemen in this house, private members sitting on both sides of Your Honour, have the right, if opportunity is afforded them, to bring up matters of public importance. Notwithstanding what the Prime Minister has said, I suggest that it is the best method for bringing forward concrete subjects for discussion by this house—in fact the only method that is available to private members.

If the government has a programme of war legislation ready to proceed with, and necessity required that it be proceeded with, I should be among the first to try to help forward the government's war effort. But that is not the case. The government might very well give to-day and Wednesday to private members, allowing them the opportunity which the constitutional practice of this house gives them. I suggest to the Prime Minister that he amend his motion to read "on and after the twenty-fourth of this month". If he will not do that I suggest that he enlarge the motion not only to take in the introduction of private bills but also to facilitate the consideration of

private bills. There are some already introduced and I presume there will be others. Under this proposal, unless the government saw fit to facilitate it, there is no opportunity afforded for proceeding with private legislation. We ought not to bar private legislation. My right hon. friend will remember that last year a special motion had to be passed in order to facilitate the consideration of certain private legislation in this house. I suggest, therefore, that in any event the Prime Minister ought to change his motion in order to make that possible and to obviate the necessity of a special resolution.

Once more I suggest to the Prime Minister that the right of the private member to bring forward by way of motion any matter of public interest and importance has long obtained in this house, and ought not to be taken away except in situations of the utmost gravity. Whether or not the Prime Minister has made out a case of such gravity at the present moment I leave it to the house to decide.

Mr. M. J. COLDWELL (Rosetown Biggar): I should like to support the suggestions made by the leader of the opposition (Mr. Hanson). I do not think there is an hon. member in this house who would wish to deny to the government the right of precedence in the present emergency. It is true that last May we agreed to the passage of a resolution similar to the one now proposed. At that time, on behalf of the group with which I am associated, I suggested that perhaps later in the session some opportunity might be given for the consideration of the resolutions and bills of private members, but that was not found possible.

I would respectfully submit to the Prime Minister that while in England similar resolutions were passed, at the instance first of Mr. Chamberlain and latterly of the Lord Privy Seal, conditions in the two countries are not altogether analogous, for the reason that we are paying very little attention to those grave domestic problems which, if they are allowed to continue to simmer as they are simmering at the present time, will interfere with our war effort more than almost anything else I can think of. During the last several months I have been over a good deal of this country, and people are asking the question: "What is to happen after the war has been won? Are we going back to the conditions we knew prior to 1939?" These domestic problems require attention, and one of the ways in which they are brought forward is through the resolutions of private members.

There is now on the order paper in the name of the hon. member for Vancouver East (Mr. MacInnis) a resolution dealing with old age pensions. In Great Britain old age pensions have been almost doubled since the war broke out. There are other matters of equal importance, brought about by the rising cost of living, which ought to receive the consideration of this house. While I am not intimating that we want to interfere in any way with the precedence of all government measures relating to the war, I suggest to the Prime Minister that some safeguard should be given the private members in order that they may introduce legislation and resolutions and thus bring before parliament problems of domestic importance. I would support the suggestion of the leader of the opposition that unless the government has an immediate programme to introduce, for this week at least the resolutions of private members should be proceeded with.

Mr. MACKENZIE KING: Mr. Speaker, if no one else wishes to speak I would say to my hon. friends who have referred to the legislative programme that what is being presented to-day is almost identical with the programme that was presented to this house at the beginning of last session. Despite the fact that there are not a number of bills on the order paper, having regard to the estimates, which cover the entire work of government; the war appropriation bill, which covers the expenditures on war account, and the budget, which has to do with the ways and means by which the revenues are to be raised, the house has before it at the present time a very large programme of government business. These are all measures that must pass this house if public business is to be carried on, and I venture to say that if the house should give its entire attention to the war appropriation bill, the estimates and the budget, we shall be here for a couple of months at least before we reach the end of that programme. No hon. member in this chamber can begin to surmise what may happen within even a couple of weeks. I think it important that we should get as far under way with our government business as may be possible, just as speedily as possible. I come back to what I have already said, the legislative programme to all intents and purposes is in its nature the same as the programme of last session, which was also a war session; it is all related to war measures and the carrying on of the government of the country at a time of war.

As to the resolutions on the order paper, I will not go as far as my hon. friend the leader of the opposition (Mr. Hanson), who said that with the exception of one or two none of them were of any importance, but

I will say that there is not on the order paper a single resolution that I have read which brings forward a question of public interest that could not be fully discussed either on going into committee of supply or when we are in committee on the estimates relating directly or indirectly to the particular subject to which it refers. That, I think, is the proper time to discuss these matters.

My hon. friend the leader of the Cooperative Commonwealth Federation (Mr. Coldwell) has just mentioned old age pensions. Well, this house has to vote money for that purpose. What better opportunity could there possibly be for a complete discussion of that question than when the item in the estimates on old age pensions is before the committee? The advantage of discussing these matters on the estimates will be that every member of the house will know in advance just when these matters are likely to be taken up. On the other hand, should we follow the usual procedure we would have before us a series of resolutions, and until some hon. member proceeds with his resolution no one would know what was going to be taken up. I quite agree with my hon. friends the leader of the Cooperative Commonwealth Federation and the leader of the opposition that no question of public importance should be sidetracked by the government under the pretext that precedence must be given to matters concerning our war effort. I will undertake to say that if questions of that character are brought up and the house is of the opinion that they require a full discussion, somehow arrangements will be made in order that such discussion may take place. I do wish to say, however, that when my hon. friend asks us to give this week for the resolutions of private members, I, for one, would not take upon myself the responsibility of saying that we were serving the public interest, in the manner I think we are expected to serve it, by devoting time to the resolutions that stand in the names of private members, instead of taking up those other measures to which I have just made reference.

Mr. T. L. CHURCH (Broadview): I have no objection to this motion if, as the Prime Minister says, it is going to enhance our war effort, but I do not believe it is. After all is said and done, the government have been three years late in adopting many of the measures that private members have introduced in an attempt to give leadership to the government. I refer to national registration; a larger navy, army and air force; the youth training schemes of the Minister of Labour, and many similar matters. The Prime Minister might just as well abolish this House of Commons altogether, because when this motion carries we are going to be simply a body of yes-men and nodders. The duties of the opposition are constitutional. The opposition is here to criticize government legislation. The opposition is the alternative government. If the opposition objects to government measures the government either amends them or compromises, and the country is given the parliamentary and constitutional rule to which it is entitled. This house is the only place where the man on the street, through his member, can have his grievances ventilated or where he can find out what is the government's policy and what is the policy of the opposition.

Since the Prime Minister has adopted this attitude this house might as well meet in secret, because the press no longer reports the proceedings of the House of Commons. The government has usurped the powers of the private members. I would not object if you took away private members' days at once, but I do not believe that would lead to any greater war effort. We have been too late in everything. Since the house last met we have had minister after minister going across the country announcing expenditures running into hundreds of millions of dollars, over the head of parliament; and in England even one of the deputies announced a huge expenditure which had never been considered by the house. Treaties have been entered into at Washington, and we heard of one of these from a member of the joint defence board, the mayor of New York. He announced certain policies to be adopted by this country for the joint defence of the two countries before this House of Commons heard anything about them.

It was things like this that caused this war; it was interference with constitutions that caused this war. "Yes-men and nodders" caused this war, as the evolution of tyranny in Germany and Italy and Russia was only made possible by those representing the people who at the start surrendered their powers and functions to autocracy there, and that is how the dictators were installed, and once they are installed it is not possible, except by force, to unhorse them. It is coming to that in Canada as, unnoticed, the powers, functions and privileges of the private member are usurped by outside boards and by the executive. The private member is the connecting link between the government of the day and the electorate, and where he ceases to function all parliamentary government is at an end, and we are on dangerous ground. The people are not given the facts and know nothing of what is going on, and this house might just as well meet in

secret or not at all, as owing to this usurpation the press no longer reports the House of Commons.

The private member is being treated with contempt. For instance, the members from the Toronto district have never been invited by the Minister of National Defence (Mr. Ralston), the Minister of National Defence for Air (Mr. Power), or the Minister of National Defence for Naval Affairs (Mr. Macdonald) to attend a single function since the war started, or to see how the money is being spent. I did get one letter from the late Minister of National Defence, Mr. Rogers, in which he asked for constructive criticism. Everybody wants to assist the government in the conduct of its business, so long as the government gets on with the war effort. But the people are not satisfied with the war effort so far in Canada.

The government misjudged the question of man power and the whole European situation. The government was too late with munitions, too late with everything. A year ago the government was depending on France and the Maginot line to hold on until they got ready, but we know now what happened. This year, in the same way, they are depending on the United States instead of on Britain and themselves. The Toronto members have been treated with contempt. There are more than 5,600 men in the Manning depot, but not one member from that district has been invited to visit this depot, to see how this and other military expenditures are being made and how the war is being conducted.

Mr. SPEAKER: I must call the attention of the hon. member to the fact that on this motion he cannot enter into a discussion of the merits of the policy of the government.

Mr. ROSS (Moose Jaw): The hon. member is entirely out of order, because the debate was closed with the Prime Minister's reply.

Mr. CHURCH: I am just about to conclude. I am simply defending the rights of the private members in this house to function and get the facts. If we have no rights, it would be better to close up the house at once. With the appointment of all these outside boards, our functions and powers have been taken away from us, without our knowledge or consent. In my opinion, the Prime Minister has been acting as a dictator. He treats the members of his own party, and the opposition as well, as though they were a lot of yes-men and nodders. I am objecting to the way he treats the private members. As a member of parliament I have certain rights and privileges. I was not sent here to represent myself; I was sent here to represent a constituency. I may be the only one to do it, but I protest against this manner of doing business.

The members of the opposition have certain functions which they should carry out. We should not be asked to sit here when boards have usurped our powers and functions. As I understand the constitution, it is the duty of you, Mr. Speaker, to protect the private member when his rights and privileges are being taken away. The Minister of Finance gave us no notice whatsoever about this war certificate campaign until the night before it opened; he wired us to help but did not say how, and we never received even a pamphlet about it. I got a letter this morning from the Minister of National War Services (Mr. Gardiner) asking me as a member of parliament to take part in a rags, bones and bottle campaign.

The government are too late even with this. About a year ago I moved for a return in connection with the sale of copper, pig-iron, scrap-iron and other base metals to Germany, Italy, Russia and other dictator countries. This return which was not brought down until the middle of the summer, showed an awful state of affairs. At that time the city of Toronto carried on a campaign of its own to collect and utilize waste materials, and a large sum was realized. But the city started that campaign itself and finished it itself. Now when parliament is reassembling we are being asked to take part in a rags, bones and bottle campaign, and that is the sum total of our invitation to help in this war.

If the government want to get on with the war effort, let them get on with it and not treat the private members with contempt. There was never a prime minister who talked more about the supremacy of parliament than the present Prime Minister, but since the war started he has set himself up as a dictator. I will not object if we close up to-morrow. It might be a good thing to do that and let these outside boards which have assumed our functions take over. Some of them are all "board", because nothing has been done. If the government is sincere in wanting to get on with the war effort there should be some real recruiting in Canada and real aid to Britain, not this "on again, off again, on again" type of recruiting. Public confidence has been lost, as was demonstrated in the last loan campaign, by lack of leadership.

I am not objecting to taking away private members' days, but I do object to members of parliament not being given the information they should receive under parliamentary practice. I reassert the rights of the opposition to air grievances as to the conduct of the war

and of the civil departments, as well as of these outside boards and other bodies which are usurping the rights and privileges of the members of the opposition in this honourable house.

Motion (Mr. Mackenzie King) agreed to.

CRIMINAL CODE

INCREASE IN PENALTY FOR FAILURE OF DRIVER OF MOTOR CAR TO STOP AFTER ACCIDENT

Hon. T. L. CHURCH (Broadview) moved for leave to introduce Bill No. 10, to amend the Criminal Code.

Some hon. MEMBERS: Explain.

Mr. CHURCH: This bill brings up again the awful slaughter which takes place upon the highways of Canada. The object of the bill is to increase the penalty from "a fine not exceeding $500 and costs or to imprisonment for a term not exceeding six months" to a term of "not less than six months and not exceeding twelve months". There will be no option of a fine and the driver's car will be subject to seizure and forfeiture. The lives lost and the persons injured upon our highways exceed by far the deaths and injuries caused by this war. They equal the havoc caused by plague, pestilence, famine, battle, murder and sudden death. The responsibility is now upon parliament to take some action in this matter.

I do not want to see the Prime Minister (Mr. Mackenzie King), the leader of the opposition (Mr. Hanson) or the Minister of Justice (Mr. Lapointe) killed upon the highway. Several soldiers have been killed by hit and run drivers when on military duty. This type of driver is the most cowardly of all. He who hits and runs away will return to kill another day. Ninety-eight per cent of our drivers are careful; it is only the two per cent who create this problem. This slaughter goes on and yet nothing is done about it. I am laying this bill upon the doorstep of the government, because after all it is their duty to solve this problem.

Motion agreed to and bill read the first time.

NATIONAL BIRD DAY

COMMEMORATION OF WORK OF JACK MINER IN BIRD CONSERVATION

Mr. J. R. MacNICOL (Davenport) moved for leave to introduce Bill No. 11, respecting national bird day.

Some hon. MEMBERS: Explain.

Mr. MacNICOL: When the estimates were being considered last year in connection with a grant to the Jack Miner bird sanctuary at Kingsville, Ontario, I stated that I felt that this country ought to do something while Jack Miner was still alive to commemorate the wonderful work he is doing.

The purport of the bill is that the government of this country proclaim April 10, which is Jack Miner's birthday, a national bird day in honour and commemoration of the marvellous work that has been done by this greatest conservationist of wild life and particularly bird life. Jack Miner, while not Canadian born, is and has been a Canadian all his life, and his family were all raised here. A short time ago a citizen who had read in *Hansard* the remarks I had made last session in connection with Jack Miner wrote me a letter suggesting that Jack Miner's birthday should be commemorated and a national bird day be proclaimed in his honour. He will be seventy-six next birthday. We have quite a number of national days of one kind or another which we observe. We have a fire prevention week, which I believe is a United States institution, but it is also observed here during the week of October 9, which is the anniversary of the great Chicago fire.

In April the birds, both wild and tame, will be returning to this country from the south. The tame birds will be bringing their song and colour to delight us, and the wild birds will be alighting in the constituency of my hon. friend the member for Cochrane (Mr. Bradette), where hundreds of thousands of geese and ducks, after leaving Jack Miner's sanctuary, stop over on their flight to the north.

Briefly, then, the purport of the bill is to honour Jack Miner. When the bill is before the house for second reading I shall have more to say. I think this would be a well deserved though long delayed honour that we might well pay to Canada's greatest living naturalist and one of the world's great men to-day.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*NAVAL, ARMY AND AIR FORCES—REHABILITATION OF DEMOBILIZED PERSONNEL

Mr. ROSS (Calgary East):

1. What reports, if any, have been made by the committee appointed under P.C. order 4068½, dated December 8, 1939, regarding the problems which will arise from the demobilization and the discharge from time to time of

members of the forces during and after the conclusion of the present war, and the rehabilitation of such members into civil life?

2. What recommendations, if any, have been made by the committee set up under P.C. order 5421, dated October 8, 1940?

3. What does the government propose to do with regard to the rehabilitation of personnel being discharged from time to time from the navy, army and air forces?

4. If a general policy has not yet been formulated by the government with regard to discharged personnel, what is being done in the meantime for persons being discharged from time to time from the navy, army and air forces?

Mr. MACKENZIE (Vancouver Centre): Mr. Speaker, this question was answered in detail in the statement I made to the house on December 6, 1940, and I therefore ask that the question be dropped.

Question dropped.

MUNITIONS AND SUPPLY—AMHERST, N.S., CANADIAN CAR AND FOUNDRY PLANT

Mr. GILLIS:

1. Has the attention of the government been drawn to the fact that the Canadian Car and Foundry Company Limited plant located at Amherst, Nova Scotia, which rolled sheet steel during the last war, is idle, and that the other mill there is expected to close down shortly on account of shortage of material?

2. Does the Department of Munitions and Supply intend to utilize these plants at this critical time?

Mr. HOWE:

1. The Canadian Car and Foundry Company Limited plant at Amherst, Nova Scotia, has no equipment for rolling sheet steel. It has rolling mills for producing bars and structural shapes. The steel controller has not been advised that any firm in Amherst now working on war materials is expected to close down because of shortage of steel.

2. The aircraft branch of the Department of Munitions and Supply proposes to utilize a very large portion of the plant facilities of Canadian Car and Foundry Company Limited at Amherst, N.S., in the manufacture of components for the Anson twin-engine training plane, the final assembly and fly-away of same, and is establishing in that company's plant a permanent overhaul and repair base for all planes to be utilized in the joint air training plan in the maritime provinces.

Substantial sums of money have already been expended in preparation for the handling of these contracts and actual work on both these undertakings will be in active prosecution during the next few months.

SUBVERSIVE ACTIVITIES—NAZI AGENTS POSING AS JEWISH REFUGEES

Mr. REID:

1. Has the government's attention been drawn to the information as stated by the New York *News* of November 26 to have been given the United States government by the government of Great Britain that specially trained nazi secret agents and saboteurs are presumably fleeing to vital world countries masquerading as authentic Jewish refugees to operate under direct orders of Germany?

2. Has any such information been given to the Canadian government, and, if so, (a) are appropriate steps being taken to safeguard against such visitors or immigrants, and (b) are any further investigations or checks being made on those who have come to Canada since April, 1939?

Mr. CASGRAIN:

1. The Canadian legation has ascertained informally, from the United States State Department, that they have no record of having received any such communication from the United Kingdom government.

2. No. (a) and (b). A thorough investigation is made of all refugees before they are allowed to enter Canada and a close check is kept on them after they are in Canada.

TIMBER CONTROL—EXPORT OF LOGS

Mr. REID:

1. Have any steps been taken to prohibit the export of logs?

2. If so, what prohibitions have been put into effect, and (a) do any such prohibitions apply to all provinces, and (b) are all such regulations or prohibitions formulated by the timber controller?

Mr. HOWE:

1. Yes.

2. An order prohibiting the export of all fir sawlogs from British Columbia to non-British empire destinations was issued by the timber controller on July 6 last, to take effect on July 10, for a period of three months. This was subsequently extended for a further period of two months. Order in council No. 7156 of December 4, 1940, provides that "no person shall export from Canada Douglas fir sawlogs without first having obtained a permit issued by, or on behalf of, the Minister of National Revenue".

(a) This embargo applies in effect only to the province of British Columbia as it is the only province from which Douglas fir sawlogs are generally exported.

(b) Yes.

MERCHANT VESSELS FOR BRITISH ACCOUNT—USE OF ATLANTIC SHIPYARDS

Mr. BLACK (Cumberland):

1. Will contracts for the eighteen large merchant vessels for the British government

account, announced by the Minister of Munitions and Supply on November 20, be awarded only to shipyards on the St. Lawrence river and the Pacific coast?

2. If so, for what reason?

3. Why are Atlantic coast shipyards not to be given an opportunity to share in this construction?

Mr. HOWE:

1. Yes.

2. They are the only shipyards whose facilities are available to undertake such construction at the present time.

3. Facilities of Atlantic coast shipyards equipped to undertake construction of this character are at the present time fully occupied with ships' repairs.

NATIONAL RESEARCH COUNCIL—RACIAL ORIGIN OF PERSONNEL

Mr. McGREGOR:

1. What are the names of the members of the research board, including the national research council?

2. What is the racial origin of each?

Mr. MacKINNON (Edmonton West):

Members of National Research Council	Racial Origin
President: Major-General A. G. L. McNaughton, C.B., C.M.G., D.S.O., M.Sc., D.C.L., LL.D. (Recalled temporarily to active military duty)..	Scotch
Acting President: C. J. Mackenzie, M.C., B.E., M.C.E., M.E.I.C.....	Scotch
Sir Frederick Banting, K.B.E., M.C., M.D., LL.D., D.Sc., F.C.A.P., F.R.C.P., F.R.C.S., F.R.S.C., F.R.S., Professor of Medical Research, University of Toronto	Irish
H. E. Bigelow, A.M., Ph.D., F.R.S.C., F.C.I.C., Carnegie Professor of Chemistry, Mount Allison University	English
E. F. Burton, B.A., Ph.D., F.R.S.C., Professor and Head of the Department of Physics and Director of the McLennan Laboratory, University of Toronto	English
W. R. Campbell, Esq., President and Treasurer, Ford Motor Company of Canada, Ltd.	Scotch
Armand Circe, B.Sc., C.E., D.I.C., Dean, Ecole Polytechnique, University of Montreal	French
R. H. Clark, M.A., Ph.D., F.R.S.C., F.C.I.C., Professor and Head of the Department of Chemistry, University of British Columbia	English
J. B. Collip, M.A., Ph.D., M.D., D.Sc., LL.D., F.R.S.C., F.R.C.P., F.R.S., Gilman Cheney Professor of Biochemistry, and Head of the Department, McGill University	English
E. P. Fetherstonhaugh, M.C., B.Sc., F.R.S.A., M.E.I.C., Dean, Faculty of Engineering and Architecture, University of Manitoba	Irish
Beaudry Leman, B.Sc., C.E., D.C.Sc., President and Managing Director, Banque Canadienne Nationale	French and English
O. Maass, B.A., M.Sc., Ph.D., Macdonald Professor of Physical Chemistry and Head of the Department of Chemistry, McGill University	Dutch
R. J. Tallon, Esq., Secretary-Treasurer, Trades and Labour Congress of Canada	Irish
His Excellency Mgr. Alexandre Vachon, M.A., Ph.M., S.T.D., D.Sc., LL.D., F.R.S.C., F.C.I.C., Archbishop of Ottawa	French
R. C. Wallace, Ph.D., D.Sc., LL.D., F.G.S., F.R.S.C., Principal, Queen's University	Scotch

DR. E. W. STAPLEFORD

Mr. McGREGOR:

Is Dr. E. W. Stapleford receiving a superannuation or other allowance from the Saskatchewan university or the government of the province of Saskatchewan, and, if so, what amount?

Mr. GARDINER: I am informed that Dr. Stapleford is in receipt of an annuity of $2,000 provided from funds of the Rockefeller foundation through arrangements made by the board of Regina college and the University of Saskatchewan at the time Regina college was taken over by the university.

EMPLOYMENT OF DR. CHRISTIE, HARRY BUTCHER AND EMMETT COLLINS

Mr. CARDIFF:

1. Are the following employed in the public service: (a) Dr. Christie, formerly of Esterhazy, Saskatchewan; (b) Harry Butcher, former member of parliament; (c) Emmett Collins, formerly of Moose Jaw, Saskatchewan?

2. If so, where are they employed?

3. What salary do they receive?

Mr. GARDINER:

1. (a) Yes. (b) No; see order in council P.C. 127/4274 covering his appointment, tabled in the House of Commons on November 20, 1940. (c) Yes; on a temporary basis.

2. (a) Supervisor of military training medical services, Department of National War Services. (b) Answered by 1 (b). (c) Clerk, Department of National War Services.

3. (a) $5,000 per annum. (b) Answered by 1 (b). (c) $1,920 per annum.

ORDERS IN COUNCIL PASSED SINCE OUTBREAK OF WAR

Mr. DIEFENBAKER:

How many orders in council have been passed, (a) since the outbreak of war; (b) while parliament has been in actual session (1) during the period May 16 to August 7, and (2) during the present session, November 7 to date?

Mr. MACKENZIE KING:

(a) 8,809 orders in council and 6,121 treasury board minutes—from the outbreak of war (10th September, 1939) up to and including 6th December, 1940.

(b) (1) 1,762 orders in council and 1,035 treasury board minutes—from 16th May to 7th August, 1940, both dates inclusive. (2) 897 orders in council and 450 treasury board minutes—from 7th November to 6th December, 1940, both dates inclusive.

NAVAL OFFICER TRAINING SCHOOL—WESTERN CANADA

Mr. HAZEN:

1. Has the government purchased a site in western Canada for a school for training naval officers?
2. If so, from whom was it purchased?
3. Where is it located?
4. How many acres does it contain?
5. What was the purchase price?

Mr. MACDONALD (Kingston City):

1. The government has purchased a property in British Columbia where officer training is carried on in addition to similar training on the east coast.
2. Royal Trust Co., Victoria, B.C., executors of the estate of the late Laura N. Dunsmuir.
3. Victoria, B.C.
4. 645 acres.
5. $75,000.00 for land and buildings.

BUREAU OF PUBLIC INFORMATION

Mr. HANSELL:

1. When, how and by what authority was the bureau of public information established?
2. Under what department of the government is this bureau, and to what minister is it responsible?
3. How many press releases were made up by the bureau to the end of November, 1940, in what papers were they published and how many in each?
4. What is the general function and what are the duties of the bureau?
5. In what manner does this bureau cooperate with (a) the press; (b) the Canadian Broadcasting Corporation and other radio stations in Canada; (c) the motion picture industry?
6. What are the duties of each person employed by the bureau at a salary of $1,000 per year or over?
7. What has been the total cost of operating the bureau to the end of November, 1940, including news service, communication services, radio and moving pictures services, and printing?
8. What duties are being performed by this bureau that could not be performed by the various news agencies, press and periodicals now established in Canada?

Mr. GARDINER:

1. By order in council P.C. 2474, August 30, 1939, various subcommittees were constituted, including one on public information, under the chairmanship of the Hon. N. A. McLarty, Minister of Labour. Order in council P.C. 2654, September 12, 1939, and order in council P.C. 3018, October 12, 1939, assigned certain powers to the subcommittee of council on public information. Order in council P.C. 4073, December 8, 1939, appointed a director of public information and outlined his duties.

2. Transferred to the Department of National War Services under P.C. 3333, dated July 19, 1940, and responsible to the Minister of National War Services, the Hon. J. G. Gardiner.

3. (a) 772. (b) No statistics available.

4. To provide for the collection, coordination and dissemination to the public of information concerning all phases of Canada's war effort and the various activities of the government related thereto. To coordinate existing public information services, such as radio and motion pictures, and to originate or employ other means in order that they may be used in the most efficient way for the prosecution of the war.

5. (a) By arranging weekly press conferences with various ministers for representatives of the press; by providing factual and reference material direct; by assisting newspapers to reach for themselves sources of news and information. (b) By frequent consultations with officials of the Canadian association of broadcasters. (This association represents all the independent radio stations in Canada.) (c) By arranging for and advancing production of documentary films through the national film board for theatrical and non-theatrical distribution and the encouragement of independent newsreel operations.

6. Walter Herbert—Assistant to the director.
George Hambleton—Weekly news editor.
Miss M. A. Mosley—Secretary to the director.
Bruce West—Photo editor.
Joffre Dechene—Assistant photo editor.
Guy Jasmin—Special writer (French).
Placide Labelle—Special writer (French).
Miss H. Hilborn—Stenographer (English).
Miss J. McMillan—Stenographer (English).
Miss F. Potts—Stenographer (English).
Miss D. Hall—Stenographer (English).
Miss T. Brunet—Stenographer (French).
Miss M. Menard—Stenographer (French).
J. G. A. Boisvert—Distribution clerk (French).

Miss E. Hodgins—Distribution clerk (English).
Paul Houle—File clerk.
L. W. Brockington—Special duties for Prime Minister and war committee of the cabinet.
Miss G. Kidd—Clerk, grade 3 (library).

7. $202,672.42; (a) Expenditure to November 30, 1940, $82,432.59. (b) Commitments for which accounts not received as at November 30, 1940, $120,239.83.

8. All the duties outlined in answers (4) and (5).

LABOUR DEPARTMENT—DEPUTY MINISTER AND ASSISTANTS

Mr. BENCE:

1. Who is the deputy minister of labour?
2. When was he appointed?
3. What is his salary?
4. Who was his predecessor?
5. What was his salary?
6. Has an associate deputy minister of labour been appointed?
7. If so, is this a new position?
8. Who has been appointed to this position?
9. What is his salary?
10. Has an executive assistant to the deputy minister of labour been appointed?
11. If so, is this a new position?
12. Who has been appointed to this position?
13. What is the salary of the person so appointed?

Mr. McLARTY:

1. Dr. Bryce Morrison Stewart.
2. November 1, 1940.
3. $10,000 per annum.
4. Mr. William M. Dickson.
5. $8,000 per annum.
6. Yes.
7. Yes.
8. Mr. Arthur MacNamara.
9. $9,000 per annum.
10. A general executive assistant, Department of Labour, has been appointed.
11. Yes.
12. Mr. A. G. MacLachlan.
13. $4,080 per annum.

ROYAL CANADIAN AIR FORCE—OTTAWA HEADQUARTERS STAFF

Mr. REID:

1. What is the total number of personnel employed at the headquarters staff of the air force in Ottawa, (a) in the service; (b) civilians (1) male, (2) female?
2. How many members of the service staff are engaged in clerical work?
3. How many of the service staff hold the rank of officer from pilot officer upward, and what number of each rank?
4. How many commissioned officers saw service in the last war?
5. How many civilians have been transferred from other branches of the government service for employment on headquarters staff?
6. How many of service personnel were formerly employed in the civil service?
7. What is the number of the civilian and service clerical staff at Uplands?

[Mr. Gardiner.]

Mr. POWER:

1. (a) 750.
(b) (1) 353.
(b) (2) 502.
2. 248.
3. 291 R.C.A.F., 18 R.A.F., total, 309. Air vice-marshals, 3; air commodores, 7; group captains, 11; wing commanders, 22; squadron leaders, 28; flight lieutenants, 77; flying officers, 152; pilot officers, 9.
4. 123.
5. 1. In addition 27 are on loan from other government departments.
6. 56.
7. Civilian, 24; service, 29.

Figures in Questions 1 to 6 include airmen's records office.

AIR SERVICE TRAINING SCHOOLS—USE OF FLOUR NOT MILLED IN CANADA

Mr. BENCE:

1. Has any flour, which was not milled in Canada, been purchased for use in any air service training school in Canada since September 4, 1939?
2. If so, where was it milled, and what quantity was supplied?
3. To what training schools was it sent?

Mr. HOWE:

1. So far as can be ascertained, the Department of Munitions and Supply did not purchase any flour which was not milled in Canada for use of any air service training school.

Since August 14, 1940, the specifications on flour bought by the department reads: "Flour, soft pastry: The product of good, sound, sweet and dry Canadian-grown wheat without any adulteration."

2. Answered by 1.
3. Answered by 1.

FAUQUIER, ONT., POSTMASTERSHIP

Mr. ROSS (St. Paul's):

1. Who is the postmaster at Fauquier, Ontario?
2. When was he appointed?
3. What remuneration is paid to him?
4. Is he a returned soldier?
5. Did any returned soldiers apply for the position?
6. Was the position advertised for open competition?
7. If not, why?

Mr. MULOCK:

1. Lorenzo Guillemette.
2. 23rd September, 1940.
3. $629.75 based on revenue for 1939-40.
4. No.

5. No suitable returned soldier applied.
6. No.
7. By the amendment to the Civil Service Act passed on 26 May, 1932, revenue postmasters at offices with a revenue of not more than $3,000 were removed from the scope of the Civil Service Act. In accordance with the usual procedure, returned soldiers' organization was advised of the vacancy in case any returned soldiers were interested.

OVERSEAS ACCOUNTING SECTION—MR. SPROULE

Mr. McGREGOR:

1. Was a Mr. Sproule appointed to the overseas accounting section?
2. If so, when, and who recommended his appointment?
3. Is this a civil service appointment?
4. Did the civil service commission make this appointment?
5. What salary does he receive?
6. What salaries do the sub-heads in this department receive?
7. Was Mr. Sproule asked for by the head of this department?
8. What experience has he had in this particular line of work?
9. Did Mr. Sproule make application to the civil service commission before appointment?
10. Was the civil service commission requisitioned by the department?

Mr. HOWE:

1. Yes.
2. December 5, 1940. The deputy minister, Department of Munitions and Supply.
3. Yes.
4. Yes
5. $2,720 per annum.
6. $2,220 and $3,360 per annum.
7. The head of the division requested of the civil service that a man be supplied for this position.
8. Mr. Sproule conducted his own business for 18 years, employing 20 to 35 employees, and has had the necessary supervisional experience required in his present work.
9. Yes.
10. Yes.

COLIN MACKENZIE, K.C.

Mr. MacLEAN (Cape Breton North-Victoria):

1. Is Mr. Colin MacKenzie, K.C., of Sydney, Nova Scotia, serving in any capacity under the Department of National Defence?
2. If so, what are his duties and authority?
3. Has the department or any officer in military district Number 6 instructed officers in Cape Breton to take orders only from Mr. MacKenzie for the supply of stoves and other materials?

Mr. CASGRAIN:

1. and 2. Mr. Colin MacKenzie, K.C., of Sydney, Nova Scotia, is not employed by the Department of National Defence. He is an agent of the Department of Justice and receives his authority from that department.

3. No such instructions have been issued by this department. If officers in Cape Breton have issued such instructions they have done so without authority.

PROCEDURE IN EMPLOYMENT OF SYDNEY MINES YOUNG MEN ON DEFENCE PROJECTS

Mr. MacLEAN (Cape Breton North-Victoria):

Must young men of Sydney Mines, who are in need of employment, first go to Sydney, Cape Breton South, and obtain employment slips before being employed in their home town on defence projects?

Mr. McLARTY: Placements on Department of National Defence projects in Cape Breton are made by the Employment Service of Canada. While the Department of Labour subsidizes the operation of the free public employment offices in Nova Scotia, they are under the direct control and supervision of the provincial government. The nearest office to Sydney Mines is that at Sydney, but the province has a special placement officer for the district, dealing with national defence placements. Sydney Mines is one of the points visited by this officer, whose name is C. C. Ogilvie.

CHESTER WALTERS

Mr. COLDWELL:

1. Is Mr. Chester Walters in receipt of a pension from the Dominion of Canada?
2. If so, what is the amount?

Mr. ILSLEY:

1. Yes, a superannuation allowance.
2. $1,941.67 per annum.

UNEMPLOYMENT INSURANCE ADVISORY BOARD

Mr. LaCROIX (Quebec-Montmorency):

Why did not the Labour Minister appoint a French-speaking Canadian on the unemployment insurance advisory board?

Mr. McLARTY: For the reason that at the time the commissioners of the unemployment insurance commission were appointed, the chief commissioner and one other commissioner were residents of the province of Quebec. It was felt that fair representation of other geographical sections of Canada could only be secured by making the appointments to the unemployment insurance advisory committee in the manner in which they were made.

QUESTIONS PASSED AS ORDERS FOR RETURNS

LICENCES FOR EXPORTS TO JAPAN

Mr. MacINNIS:

1. How many licences have been applied for to export minerals to Japan from October 1, 1939, to date?
2. How many licences have been granted for the same period?
3. How many licences have been refused?
4. How many licences are still under consideration?
5. How many such licences have been applied for and approved since October 1, 1940, to date?
6. How many licences have been applied for to export copper or copper concentrates to Japan from October 1, 1940, to date?
7. How many such licences have been granted?
8. What metals, and what quantities of each have been exported to Japan from October 1, 1940, to date?

Mr. CASGRAIN: Return tabled.

GOVERNMENT PURCHASES OF ANTI-FREEZE

Mr. McGREGOR:

1. How much anti-freeze was purchased by each department of the government during the years 1939 and 1940?
2. From what companies was this material purchased and how much from each?
3. What quantity has been delivered to each department and has it been satisfactory?

Mr. CASGRAIN: Return tabled.

WEIGHTS AND MEASURES—TRACK SCALES AND RAILWAY TEST CAR

Mr. DOUGLAS (Weyburn):

1. How many track scales are known to the Department of Trade and Commerce to be in use in Canada, and (a) who is the owner of each, and (b) in what province is each situated?
2. Are these track scales inspected by the weights and measures service, and, if so, what method and equipment is used?
3. Is the equipment used for testing track scales owned by the government?
4. How are the weights of railway test cars verified, and how often?
5. How many have been verified during the past ten years?

Mr. MacKINNON (Edmonton West): Return tabled.

DUFFERIN PAVING COMPANY—JAMES FRANCESCHINI

Mr. DIEFENBAKER:

1. Is James Franceschini, at present in an internment camp, connected as an officer, shareholder or otherwise, with the Dufferin Paving Company Limited, Toronto, Ontario?
2. What are the particulars of the contract or contracts that have been awarded to the said company by this government since the internment of said Franceschini?

Mr. CASGRAIN: Return tabled.

[Mr. McLarty.]

GERMAN PRISONERS OF WAR IN CANADA—RATIONS

Mr. NICHOLSON:

What are the details with regard to the quantities and items of the rations supplied, monthly, to each German prisoner of war interned in Canada?

Mr. CASGRAIN: Return tabled.

PORTSMOUTH PENITENTIARY STAFF

Mr. ROSS (Souris):

1. Since September, 1939, how many men employed at the Kingston penitentiary, Portsmouth, Ontario, have been (a) discharged; (b) superannuated; (c) let out on leave for military service?
2. Since September, 1939, how many men have been taken on the strength of Kingston penitentiary?
3. What are the names and addresses of men taken on strength since September, 1939?
4. What are their respective ages?
5. What military service have they had, if any?

Mr. LAPOINTE (Quebec East): Return tabled.

COLLINS BAY PENITENTIARY STAFF

Mr. ROSS (Souris):

1. Since September, 1939, how many men employed at the Collins Bay penitentiary, Collins Bay, Ontario, have been (a) discharged; (b) superannuated; (c) let out on leave for military service?
2. Since September, 1939, how many men have been taken on the strength of the Collins Bay penitentiary?
3. What are the names and addresses of those taken on since September, 1939?
4. What are their respective ages?
5. What military service, if any, have they had?

Mr. LAPOINTE (Quebec East): Return tabled.

EMPLOYMENT OF JUDGES IN EXTRA-JUDICIAL WORK

Mr. McGREGOR:

1. How many royal commissions have been set up by the federal governments since 1923?
2. What are the names of the judges who served on these commissions, and what amounts were paid to each of them?
3. What judges are now serving on boards of review under the Farmers' Creditors Arrangement Act, and what salary, allowances and expenses does each receive for this work?
4. While so employed, are judges also paid their statutory salaries?

Mr. CASGRAIN: Return tabled.

PAYMENTS TO CIVIL SERVANTS IN NAVAL, ARMY AND AIR FORCES

Mr. PURDY:

1. Are there any civil servants, permanent or temporary, now engaged in office work at Ottawa or elsewhere in Canada with the defence services at rates of pay, allowance and tax exemption which gives them a higher rate of income than they secured in their civil positions?

2. If so, what is the number involved, and the aggregate increase in remuneration?

Mr. CASGRAIN: Return tabled.

PRINTING AND DISTRIBUTION OF PRIME MINISTER'S SPEECHES

Mr. ROSS (St. Paul's):

1. Have any speeches delivered by the Prime Minister since September 1, 1939, been printed at the public expense?

2. If so, how many speeches have been so printed, and what was the subject matter of each such speech?

3. How many copies of each such speech were printed?

4. What was the cost of printing each such speech?

5. Were such speeches distributed by any government department or agency?

6. If so, by what department or agency?

7. To whom were copies sent?

8. What was the cost of such distribution?

Mr. CASGRAIN: Return tabled.

NORTH SYDNEY AIRPORT AND SYDNEY MINES BARRACKS

Mr. MacLEAN (Cape Breton North-Victoria):

1. From whom were the stoves purchased for use at airport at North Sydney and barracks at Sydney Mines?

2. What type of stove was purchased and at what price each?

3. Were they purchased through an agent? If so, what is the name of such agent?

Mr. MacLEAN (Cape Breton North-Victoria):

1. From whom were each of the following properties purchased, (a) air field at Reserve Mines, Cape Breton, Nova Scotia; (b) that taken over for defence works at Centreville and Chapel Hill, Sydney Mines?

2. What price was paid for each property?

3. Was the amount paid to the owner in each case?

4. If not, to what agent or agents were these amounts paid?

Mr. MacLEAN (Cape Breton North-Victoria):

1. Were tenders called for the construction of barracks at Centreville and Chapel Hill, Sydney Mines, Nova Scotia?

2. On whose recommendation was the foreman at Chapel Hill barracks appointed?

COLIN MACKENZIE, K.C.

Mr. MacLEAN (Cape Breton North-Victoria):

1. Is Mr. Colin MacKenzie of Sydney, Nova Scotia, employed by the dominion government or any department thereof?

2. If so, what are his duties and salary?

MOTIONS FOR PAPERS

MUNITIONS AND SUPPLY—W. J. SANDERSON

Mr. BENCE:

For a copy of the letter or letters of resignation of Mr. W. J. Sanderson from his position in the Department of Munitions and Supply, and any correspondence, memoranda or other documents relating to such resignation.

NATURAL RESOURCES MOBILIZATION—TRAINING OF MEN EMPLOYED IN WAR INDUSTRIES

Mr. BENCE:

For a copy of all letters, telegrams, memoranda and other communications or documents passing between the Minister of National War Services or any official of the Department of National War Services or any official of any other department of the government, and Mr. W. J. Sanderson or any official of Fleet Aircraft Limited, relating to the training under the National Resources Mobilization Act of men employed in war industries.

RETIREMENT OF CHESTER WALTERS FROM DOMINION INCOME TAX DEPARTMENT

Mr. COLDWELL:

For a copy of all correspondence in the possession of the government relating to the retirement of Mr. Chester Walters from the employ of the income tax department of the dominion government.

NIPAWIN-FLIN FLON HIGHWAY

Mr. A. M. NICHOLSON (Mackenzie) moved:

For a copy of all correspondence, letters, telegrams, reports and other documents in the possession of the Department of Mines and Resources and dated during the years 1938, 1939 and 1940, in connection with the proposed highway between Nipawin, Saskatchewan, and Flin Flon, Manitoba.

He said: Mr. Speaker, I should like to amend this motion so that it will ask simply for the engineer's report instead of for all the correspondence, letters, telegrams and other documents.

Hon. T. A. CRERAR (Minister of Mines and Resources): Mr. Speaker, I might offer a word of explanation. As the motion reads, it would involve a great deal of work to bring down the necessary documents. I spoke to the hon. member and ascertained that what

he really desired was a copy of the engineer's report, and he is now suggesting that his motion be amended accordingly. That is quite satisfactory and I now table a copy of the engineer's report.

Motion as amended agreed to.

ROYAL AIR FORCE TRAINING SCHOOLS IN CANADA

Mr. G. J. TUSTIN (Prince Edward-Lennox) moved:

For a copy of all orders in council, correspondence, cables, memoranda of agreements and other documents relating to the arrangements made between his majesty's government in the United Kingdom and his majesty's government in Canada to transfer to and establish in Canada training schools for the Royal Air Force.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, the documents and correspondence asked for by this motion would require us in the first place to obtain the consent of his majesty's government in the United Kingdom. But, apart from that, I may say to the hon. member who is asking for the production of these papers that they are of a confidential and secret nature, and therefore could not be made public at this time.

Motion dropped.

CANADIAN ARMY—RECRUITING; PAY AND ALLOWANCES

Mr. CHURCH:

For a copy of all orders in council, rules and regulations, and all other instructions issued either under the Militia Act, the air force act, the naval affairs act, the army act, the War Measures Act, or the National Resources Mobilization Act, regarding recruiting and dealing with the rights and privileges, pay or allowances of soldiers of Canada's military forces.

Mr. RALSTON: A somewhat similar motion was made by the hon. member in May 1940. At the time the then minister was absent from the house. The papers were not brought down, and the objections to making the return were conveyed by the late minister to my hon. friend under date of July 11, in a letter a copy of which I should like to table. It is as follows:

Dear Mr. Church,

In connection with your request for a copy of all orders to Military Districts regarding recruiting, etc., I have received a memorandum on this question from the Chief of the General Staff, which I give you herewith.

"1. To comply with this request would imply the production of,

(a) Mobilization instructions for the Canadian militia—1937, which is a document marked "Not to be published",

[Mr. Crerar.]

(b) Certain recruiting memoranda which are "security" documents,

(c) Copies of a great deal of correspondence on secret files of this department.

2. As regards the documents mentioned in (a) and (b) above, it is pointed out that while the disclosure of much of what is contained in these publications would not in itself be prejudicial to the public interest or the safety of the state, there are certain other provisions in these documents whose publication probably would be detrimental. It would be difficult to disclose a portion of these documents without inferentially disclosing information regarding the non-published portions as well.

3. As regards secret documents, these are clearly privileged and I consider that it would be prejudicial to the public interest and the safety of the state if extracts therefrom were furnished. It is also pointed out that if documents of this character are published, either in whole or in part, a precedent is created which might be extremely embarrassing in other cases and which would tend to loosen the restrictions heretofore imposed with respect to documents of this character.

4. Again, it is to be noted that a large proportion of the correspondence in question refers to specific details of British war establishments and other British documents which the United Kingdom government classes as "security" documents. We hold these documents through the good will of the War Office and to publish details of them might in a sense be construed as a breach of the trust reposed in us to ensure their security.

5. Incidentally, it may be observed that the volume of correspondence and documents which might be deemed to come within the meaning of Mr. Church's request is such that I am informed that the work of reproduction alone would involve the employment of perhaps ten experienced typists for about two weeks."

The minister then goes on:

In view of the above I anticipate you will agree that the return which you requested would not serve any useful purpose as it would contain material which it would not be in the public interest to give out.

I wish to point out, Mr. Speaker, that in connection with this motion the judge advocate general has given the opinion that to comply with the request of the hon. member it will be necessary to supply him with every statute, law, regulation, pamphlet, order in council and instruction having reference to the Canadian forces. This would constitute a fair-sized library.

I am going to suggest to my hon. friend that the motion pass on the understanding that the documents to be brought down for the army will be limited to the financial regulations and instructions for the Canadian active service force on active service, Canada and overseas, and copies of recruiting memoranda provided they are not marked "security", "secret" or "confidential".

I want to add that if there is any particular document he has in mind and to which he will refer me, if it is not in the class of

"security", "secret" or "confidential" I shall be glad to consider having that brought down as well.

Mr. CHURCH: A motion for this return passed last year, but the return was never brought down because some heads of departments objected to it. Now, there are rules and regulations which this government has not the power to pass, nor has the deputy, and if the deputy minister is going to usurp the functions of members of the House of Commons it is going to hurt recruiting. It is in the interests of recruiting in this country that the acts which parliament passes should be carried out, and that rules and regulations issued in respect to them should not be wider than the acts themselves. Take recruiting: on again, off again—you do not know where it is. One of the heads of the departments reduced the pay, $1.30, of the soldiers. It may be only a small thing, but it hinders recruiting. I see no reason why the information for which I have asked should not be produced, and I desire to have your ruling, Mr. Speaker, because this order passed the House of Commons and the papers should be tabled.

Mr. SPEAKER: The minister has suggested that this order should pass as amended; perhaps the hon. member did not hear what he said. Is it the pleasure of the house to adopt the motion as amended?

Motion as amended agreed to.

"TOOLS FOR TREACHERY"

INQUIRY WITH REFERENCE TO ARTICLE BY COMMISSIONER OF ROYAL CANADIAN MOUNTED POLICE

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): I would like to direct an inquiry to the Minister of Justice (Mr. Lapointe). I wish to draw to his attention an article by Commissioner S. T. Wood, Royal Canadian Mounted Police, in the *Canadian Spokesman* of February 1941, entitled "Tools for Treachery", and particularly a sentence on page 6, reading as follows:

> A few parliamentarians, who are apparently sincere but obviously uninformed or indifferent to facts, are greatly encouraging the subversive elements by attacking the defence regulations.

I should be glad if the minister would read this article and indicate whether or not it reflects the views of the department, and if he considers that this is a proper expression of opinion from a public official when the House of Commons is in session.

Right Hon. ERNEST LAPOINTE (Minister of Justice): Well, I will ask for a copy of the publication mentioned by my hon. friend, and I will certainly read it.

WHEAT

INQUIRY AS TO PAYMENT ON 1939 CROP AND POLICY FOR 1941

On the orders of the day:

Mr. ROBERT FAIR (Battle River): May I ask the Minister of Trade and Commerce or the Minister of Agriculture when farmers may expect an interim or final payment on the 1939 crop, and also when the 1941 wheat policy will be announced?

Hon. JAMES A. MacKINNON (Minister of Trade and Commerce): I think that the answer to the first question will be found more or less in the report, tabled to-day, of the Canadian wheat board for the year 1938-39.

Mr. HANSON (York-Sunbury): What is it? We have not seen it.

Mr. MacKINNON (Edmonton West): It will be distributed immediately. Then, with regard to an announcement of policy covering the 1941 crop, it would be very easy to make a partial announcement immediately. We are, however, gathering information and hope within a very few days to make some partial announcement. We want to make that announcement as early as we possibly can so as to enable the farmers to make their plans for the year.

REPORT AS TO DISCONTINUANCE OF PROCESSING TAX ON WHEAT PROCESSED FOR FARMERS' OWN USE

On the orders of the day:

Mr. A. M. NICHOLSON (Mackenzie): I should like to direct a question to the Minister of Trade and Commerce. The Winnipeg *Free Press* of February 11 carries a Canadian Press dispatch from Hartland, New Brunswick, which states that the hon. member for Victoria-Carleton (Mr. Hatfield) had said that he had received word from R. A. Ball, Secretary of the Canadian wheat board, to the effect that a processing tax of the board no longer would be collected from farmers hauling their own wheat to the mills for processing for their own use. Would the minister tell the house when the order in council was passed, and when it was tabled?

Mr. MacKINNON (Edmonton West): The order in council was signed on February 1, and I believe appeared in the public press on the same day. Do I understand the hon. member to ask that a copy of the order be tabled? If so, I shall be glad to see that it is done.

POSTAL SERVICE

COMPLAINT RESPECTING MAIL DELIVERIES IN TORONTO BUSINESS AND RESIDENTIAL AREAS

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to call the attention of the Postmaster General to the inadequacy of the mail service in some of the residential districts of Toronto. The department is receiving an annual revenue of almost $9,000,000 from Toronto, yet in some of the retail store districts and many residential areas the mail is not delivered until 10.30, 11.00, 11.15 and sometimes 11.45 o'clock in the morning. The mail service is a public utility, and I would ask the Postmaster General if he would look into the matter and see if a better service cannot be afforded such as previously was given. Would he also consider giving back to the people the privilege of the one-cent drop letter in Toronto city? The public is entitled to a much better service, and I trust the minister will make an inquiry.

Hon. W. P. MULOCK (Postmaster General): I shall have to make inquiries, and shall accept what the hon. member has said as a notice of question.

LABOUR DISPUTE

ALLEGED DISCRIMINATION BY BILTMORE SHIRT COMPANY AGAINST EMPLOYEES

On the orders of the day:

Mr. ANGUS MacINNIS (Vancouver East): May I ask the Minister of Labour if the attention of his department has been drawn to a case of alleged discrimination by the Biltmore Shirt Company of Montreal, at present engaged in the manufacture of shirts for the armed forces, against certain of their employees who are members of the Amalgamated Clothing Workers' Union and who have been discharged for attempting to organize the employees in that factory? If the matter has been drawn to the attention of the department, has any action been taken to have the discharged workers reinstated?

Hon. N. A. McLARTY (Minister of Labour): The hon. member for Vancouver East (Mr. MacInnis) was good enough to give notice of his intention to ask this question. Information came to me shortly before noon to-day that the complaint to which he refers has been made. I was advised it was being investigated by the representative of the Department of Labour in Montreal. I have not yet had an opportunity of seeing his report. What may be done will of course depend upon the circumstances set out in that report.

[Mr. J. A. MacKinnon.]

SUPPLY

THE WAR—PRESENT POSITION—STATEMENT OF PRIME MINISTER ON MOTION OF MINISTER OF FINANCE

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

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, at the beginning of the present session, I outlined the international situation in considerable detail. On December 2, shortly before the adjournment, I sought to give an appreciation of the progress of the war. I propose to-day briefly to review events from where I left off when parliament adjourned. I shall endeavour to set forth the significance which, it seems to me, attaches to the sequence of events and to the world situation as it now presents itself. This statement, I trust, will afford a suitable background against which to consider external affairs, and the 1941-42 war appropriation bill.

It is not possible to divorce war enactments and the foreign policy on which they are necessarily based. This is particularly the case at a time of war when both foreign policy and war measures themselves are focused upon the successful prosecution of the war. It is proposed, therefore, to proceed at once with the estimates of the Department of External Affairs, and the war appropriation bill. This procedure it is believed will give to the house at as early a date as possible the information it will most wish to have. It should also prove advantageous to the consideration of the matters certain to arise in the discussion on both the estimates of the Department of External Affairs and the war appropriation bill.

Hon. members, I know, will be anxious to hear from the ministers who have recently visited the United Kingdom, and from other members of the government concerned with the administration of Canada's war effort. When early in December, just before the adjournment of the house, I spoke of the war, I gave reasons for the view that the situation for Britain and her allies was much better than it had been, not only at the time of the collapse of France, but in the months that followed that appalling catastrophe. The development of events has borne out the justness of that view. In the United Kingdom, night bombing raids, which were then the subject of so much anxiety, have become not more, but less effective. Submarine attacks, though continuing to constitute the gravest menace, have, in fact, in recent weeks, grown not more, but less destructive. In spite of enemy attempts at interference, the

output of British industry has developed at a faster tempo and on a wider scale. On land, on sea and in the air the defences of the British isles have been materially strengthened. The morale of the British people has remained unshaken. If anything, the entire population has become more determined than ever. In Europe the Royal Air Force has effected large scale destruction of industrial plants and agencies of communication, and of naval and air bases, particularly the so-called invasion ports. The British navy has continued to patrol waters adjacent to the British shores, and to protect the transportation of men, munitions nad supplies to and from the British isles and other parts of the empire.

In the African campaign, the whole situation has changed, from one of grave uncertainty for the British, to one of the gravest concern for Italy. Spectacular victories have been gained over the enemy in the field. Indeed, only a few days after the house adjourned, the imperial forces in Egypt launched a strong attack on the Italian troops of Marshal Graziani, who, several weeks previously, had penetrated into western Egypt, and appeared to be preparing an attack on the Suez canal. The British advance, in which land, sea and air forces participated, carried all before it. Three Italian divisions were captured or destroyed on the first day, and British armoured troops pursued the retreating enemy as far as the Libyan border, some fifty miles distant. In the weeks that have followed, Libya itself has been invaded. Stronghold after stronghold has fallen to British arms. The troops of General Wavell, among whom the Australians have had a conspicuous part, have captured Bengazi, the Italian base more than three hundred miles inside the eastern Libyan border. They are continuing to sweep onward in the direction of Tripoli and the boundary of Libya on the west.

In Eritrea, the Italian colony on the other side of Egypt, the fascist forces are also in retreat. In Abyssinia, overrun by the Italians a few years ago, in flagrant disregard of the most solemn assurances under the covenant of the League of Nations, tribesmen are rising against their Italian conquerors. With British assistance they are making every effort to regain their lost freedom. The exiled emperor, Haile Selassie, has returned to his country, and the United Kingdom government, reaffirming that Great Britain has no territorial ambitions in Abyssinia, has recognized his claim to the throne. In Italian Somaliland, the British and South African forces have already occupied an area as large as Wales. In this fashion the whole Italian empire in Africa is vanishing before the eyes of the world.

Across the Mediterranean, in Albania, the Italians have fared no better. The Greek army, fighting with a valour worthy of the finest traditions of classical times, has since this house adjourned inflicted on the Italians a whole series of defeats. Thus far reinforcements from across the Adriatic have wholly failed to reverse the tide of battle.

In international affairs success in arms is a potent factor. That Britain, half armed and preoccupied with the defence of the British isles, was strong enough and courageous enough to spare men and materials of war for service in Africa; that the British fleet has been able to patrol the narrow waters of the Mediterranean and even in broad daylight to bombard Genoa, the leading Italian seaport; that assisted by the British naval and air force a small Greek army has repeatedly defeated vastly better equipped and more numerous Italian forces; these facts have undoubtedly served greatly to strengthen British prestige. They have helped to maintain the confidence of Turkey, Egypt and the Arab world. They have served to encourage the resistance of France and Spain to the pressure of German demands.

To view these facts in their true perspective, however, we must also recognize what nazi penetration has meant to Roumania and what the dread of a like fate means to-day to Bulgaria and Yugo-Slavia. We should also keep in mind that the victories have been won against the minor and not the major axis partner. Italian power is one thing; the might of nazi Germany is quite another.

The Italian defeats to which I have alluded have a further significance. They have shown in unmistakable fashion that, while the Italian soldier has been led into war, his heart is not in the cause. It would be difficult otherwise to explain the apathy, discontent and indifference which have marked the conduct of operations on the Italian side. Numbers are important and equipment is important, but neither one nor both of them can make up for a lack of fighting spirit. The fascist regime has been discredited in the eyes of its own people. The Italian people are not, and in this war have never been, behind Mussolini. As Mr. Churchill said in his broadcast to the people of Italy on December 23, the Italians have been forced into alliance with the nazi aggressors by one man, against the will of the king and the royal family of Italy, against the Pope and all the authority of the vatican and of the Roman Catholic church, and against their own

wishes. Could anything illustrate more completely the power and the dangers of dictatorship?

I now turn to a development of far greater significance. It is the change which has taken place in the attitude of the United States. It serves by constrast to illustrate the methods of a democracy in safeguarding its interests and asserting its power. The rapid crystallization of opinion in the United States in favour of actively assisting the democratic countries in their struggle against aggression has been the most important event of the present year and the months immediately preceding.

The earlier policy of the United States was devised before the war started. It was based upon an assumption which ignored the real character of the present struggle. American ships were withdrawn from British waters and forbidden to enter the war zone; the belligerents were allowed to buy only what they could pay for and themselves carry away. Purchases were limited to such as could be made in the course of normal business. The unanswerable logic of events has brought home to the American people the realization that their future development, their security, the survival of the democratic way of life, are all bound up inseparably with the defence of Britain and the defeat of aggression. The president's message to congress, one of the most important in his great career, set forth in words which cannot be misunderstood, a new policy of full material support of peoples resolute in resisting aggression. It expressed the determination of the United States that the cause of freedom shall prevail.

The president's message is more than a statement of principles. It deals with means as well as with ends. The new policy as laid down by Mr. Roosevelt envisages sending ships, planes, tanks and guns to beleaguered Britain and to other nations resisting aggression. This aid is to be furnished in ever-increasing measure without the exaction of immediate payment and regardless of the threats of dictators. The precise form which assistance will take is now engaging the attention of the competent branches of government in the United States. It is a matter for the United States alone to decide. To the whole democratic world, however, the new policy has brought fresh hope and renewed resolution.

The United States is without question the most powerful economic unit in the world. In terms of national income, a recognized measure of economic strength, it outweighs Germany at least four to one. The United States has an annual output more than twice as great as all Europe. The forces against which the mobilization of this vast, this unrivalled industrial power is directed, must eventually feel the full weight of the impact. Meanwhile its growing might towers like an impending avalanche above the heads of the aggressor nations.

That the material assistance of the United States on the scale contemplated will in the long run be of decisive importance, there can be no shadow of doubt. We must make sure, however, that there is a long run. A very critical stage is certain to be reached before the full aid of the United States becomes available. As I pointed out in a broadcast a fortnight ago, there are many indications that in the immediate future the enemy will make a tremendous effort to destroy the British commonwealth by a series of smashing blows of unprecedented severity. The skies are full of sure signs of a gathering storm.

Where the storm will break we cannot say. It may come in the near east, or in the western Mediterranean, or in the far east, or over Britain itself. It may come in more than one place at the same time. Signs are not lacking that it may come in all these places at once. Among diplomatic and military authorities there is a growing belief in the possibility of a world-wide conflagration involving an attempted German invasion of Britain timed with thrusts at Suez and Gibraltar and a Japanese thrust at Singapore. The German air force and army may try to break Britain; simultaneously the combined axis powers may try to seize Britain's most strategic positions, Gibraltar, Suez and Singapore.

It would be the gravest of errors to assume that growing alarm and tension in the Balkans mean that Hitler is abandoning for the time being attack upon the British isles. It is British power that Hitler is out to destroy, and the seat of it is the island fortress in the North sea. It is no less apparent that the destruction of British power is the bond that cements the axis powers. Only by the defeat of Britain can the combined totalitarian powers gain their world sway. It is well that this fact should be kept continually in mind and squarely faced. There is, moreover, nothing to be gained by failing to view the strategic world picture in its true proportions. On the contrary there is everything to be gained by seeing it as a whole and in its true light. It is to the emergence of this wider vision that Britain and her allies owe the ever-increasing aid from the United States.

If I venture again to draw attention to the situation as it must present itself in any realistic view, it is not because I wish to

lessen the optimism to which the successes thus far achieved have naturally given rise, but rather to see that they do not blind us to the real struggle which has still to be faced, and which I believe is even now at hand. That the forces of freedom will triumph in the end, I have no doubt whatever. But equally I believe, as I have already so frequently said, that the road is going to be much harder, much longer and much more terrible than most people imagine. We should govern our thoughts and actions accordingly.

The enemy must be held back until his strength can be matched. That day will not come soon. Long, grim months lie ahead, in which we must expect set-backs and discouragements. In the present circumstances it is more than ever necessary to steel our hearts and minds to the magnitude of the effort, and of the sacrifice, that will be demanded of us over a considerable period of time and, in a special measure, throughout the next few months. We are too prone to think of the outcome of the last great war and to draw our conclusions from it. It is well, therefore, that we should check up comparisons with the last war at all possible points.

First, then, let us remember that the resources and striking power of the enemy are vastly greater than they were in the first great war. In that war the allied and associated powers were numerous indeed. Of the number, apart from the United States, which during the last year and a half was also a belligerent, France, Russia, Belgium, Portugal, and a dozen other nations which were then allied with us, are to-day neutral or have, for the time being at least, been overrun by enemy forces or compelled to give up the struggle. Italy, which was then an ally, has betrayed her ancient friendship and become the accomplice of the arch enemy. Russia is neutral and has recently concluded a new trade agreement with Germany. Because Russian trade with Germany constitutes a vast breach in the British blockade of German territory, the value of this agreement to Hitler far outweighs any concessions which he may have to make in the Balkans. Within the last few days, following the inclusion of Roumania in the economic system of nazi Germany, diplomatic relations have been severed between Roumania and Britain.

Japan, also an ally in the last war, has entered into a pact with Britain's enemies, undertaking to come to their aid if any country should try to assist her. Recent statements of Japanese political leaders have encouraged an atmosphere of impending crisis. They have likewise marked out a wide field for possible Japanese expansion southward. We shall continue to hope that the wiser counsels of the more moderate leaders in Japan will ultimately prevail. It is, however, only the part of prudence to observe that both in the statements of some of the Japanese leaders and in the movements of Japanese forces there are indications that Japan may be led to undertake aggressive action at the moment that may best serve the common cause of the aggressor nations.

The forces arrayed against us are not only vastly greater than in the last war, they occupy a strategic position far more favourable than they did at that time. Then, by heroic efforts in which our Canadian divisions played an important part, the allied and associated powers were able to hold the line, and save the channel ports. To-day the whole coast from Norway to Spain, from the Arctic ocean to the bay of Biscay, is in enemy hands. The enemy is enabled to send his raiders far out into the Atlantic. Moreover, to help in combating them we no longer have the powerful French navy at our side. Instead, we are hourly reminded that the enemy is seeking an excuse to seize the French fleet and French Mediterranean ports, to be used as weapons and bases against us.

In the air as well as at sea the strategic character of the war has also changed to the enemy's advantage. The development of aviation has vastly reduced the insular security of Britain. Hers is no longer an unmolested workshop. Factories, arsenals and shipyards have their schedules upset and their output reduced by bombardment from the air, and even more by the loss of time arising from the stopping of work during air raids. Moreover, Britain's vulnerability to air attack is relatively greater than the enemy's, due to the concentration of Britain's population and her industry, and to her dependence on overseas supplies of food, materials and munitions.

These basic difficulties in the situation should constantly be kept in mind. The very assurance of moral support, of moral and material help from the United States, is not without its bearing upon the immediate problem. With the long term issue automatically decided against the enemy if he remains inactive, Germany must now stake everything on a supreme effort to destroy the British commonwealth before the resources of the United States are fully mobilized. We may be perfectly sure that this is Hitler's plan of campaign.

No man can tell how fast or how far the red fires of war will spread before the conflagration can be brought under control. The determining factor in the matter of time is likely to be the situation as it develops in the ensuing weeks in Europe itself. Should the

attack at the outset be directed wholly or in part against Britain, we have much to fortify us in our belief in the effectiveness of the resistance which the German forces will encounter. Great new armies have been raised, trained, equipped and made ready for battle. Every beach, every headland, every acre of ground where an enemy might attack has been put in a state of defence. The navy, strengthened by flotillas of destroyers from across the Atlantic, still commands the seas. The Royal Air Force, already drawing upon the output of pilots and aircrews trained in Canada under the commonwealth air training plan, continues its operations, alike of defence and offence, with unshaken resolve and even greater vigour. By day the visits of the German attacker are less frequent; by night, the latest discoveries of science are combining to beat down the indiscriminate marauders of the dark.

It was an appreciation of all these factors which led Mr. Churchill to describe 1941 as a "waiting year." It will be a year of guarding every inch of ground, of gathering together equipment and munitions, of perfecting the training of men, and the organization and coordination of forces. If it is improbable that there will be any major attack upon enemy-occupied Europe during the present year, it is equally imperative that no opportunity for preparation should be neglected.

This leads me to speak of Canada's plans for the present year. Much careful thought has been given by the war committee of the cabinet to the organization of the new phases of Canada's war effort. In working out our plans we had not only the advice of our own military and industrial experts but the benefit of first-hand knowledge gained by the Minister of National Defence (Mr. Ralston) and the Minister of Munitions and Supply (Mr. Howe) during their recent visits to the United Kingdom. A programme for 1941, based on the utilization of Canada's utmost productive capacity, has been drawn up in complete agreement with the British government. The measures which have been decided upon are being timed to fit into the programme of the admiralty, the war office, the air ministry and the supply departments of the United Kingdom.

Early this month, in a radio address to the Canadian people on the war savings campaign, I outlined the plans which have been worked out. As an introduction to the discussion of the war appropriation bill I perhaps cannot do better than to place on *Hansard* a brief outline of these measures. They will be dealt with in detail by my colleagues in the discussion of the bill. Perhaps this is a convenient moment at which to remind hon. members that very full reviews of Canada's war effort were given by the ministers of the departments concerned, in the debate on the address. These reviews will, of course, not need to be repeated.

To-day the strength of Canada's navy is 175 ships and over 15,000 men of all ranks. Under the new programme the expansion will continue at a rapid rate, bringing the navy by March 31, 1942, up to an estimated strength of 413 ships and 26,920 men. I should add that, in addition to the merchant ships being built in increasing numbers, it is proposed to undertake the building of destroyers in Canadian shipyards.

The plan for the army includes the dispatch overseas, successively, of:

1. The balance of the corps troops for the Canadian corps of two divisions now in England;

2. An army tank brigade for employment with the Canadian corps;

3. The third Canadian division, with its complement of corps troops; and

4. A Canadian armoured division

The air training plan will be developed vigorously and energetically throughout the year. All the projects and schools connected with the plan will be opened and in operation before September next, representing a clear gain of eight months on the original schedule. The aerodrome construction will be equal to that of last year. The present strength of the Royal Canadian Air Force will be doubled. The number of aeroplanes now in use in the air training plan, namely, 1,700 aeroplanes, will be increased to well over 4,000 before the end of this year. In Canada, our air defence will be strengthened by an increase in the number of operational squadrons attached to the home war establishment. Overseas, the three Canadian squadrons, fully equipped, manned and maintained by Canada, will be kept up to strength. There will, in addition, be constituted out of the graduate pupils of the joint air training plan, and identified as Canadian, twenty-five new squadrons. Our aircraft industry will concentrate on building in Canada enough aeroplanes for the air training plan. Our surplus capacity, at the request of the British government, will be used for the manufacture of long-range bombers which can be flown across the Atlantic.

A vast increase in production of war equipment and supplies has been arranged. Since the United States is prepared to manufacture for Britain only such munitions as are in common use for United States defence purposes, Canadian armament production during 1941 will be concentrated on types of war

equipment and weapons which are not obtainable in the United States, such as mark-3 tanks, small arms, Bren guns, aircraft machine guns, and anti-tank guns. Canada will also specialize on the production of ammunition for these weapons and on the manufacture of explosives.

The production of a wide range of naval guns and 25-pounder field guns will be enlarged. Canada is the only source of supply, outside Britain, for these guns. Canada will also produce anti-tank guns for infantry use, and heavy anti-aircraft guns for defence purposes. Canada is now the only source of supply, outside Britain, for motor transport vehicles. Hon. members were, I am sure, pleased to learn that practically all of the motor vehicles in use in the African campaign were of Canadian manufacture.

It will be apparent that the needs of the armed forces and our war industry will make large demands upon available Canadian manpower. It is estimated that, for the purposes mentioned, 200,000 additional men and women will be required during the present year. An additional 100,000 will probably be needed in industries such as transport, lumbering, mining, et cetera. It is realized that industrial expansion on this scale will require the services of a large number of skilled and semi-skilled workers. Accordingly, the federal government, in cooperation with the provincial governments, is establishing vocational and plant training schools capable of training 100,000 persons a year.

In considering the magnitude of these measures and of what has already been done by the Canadian people in providing men for the armed forces and in producing weapons and materials of war, we should also remember that Canada has sent and is sending to Britain great quantities of foodstuffs and raw materials of war time industry and trade. We know from our inquiries that Britain is not now faced with any serious shortage of supplies. There are, however, commodities which the United Kingdom government has found it expedient to ration. If shipping space were not so valuable, more could and would be done to make additional provision for British needs from our surplus stocks. In foodstuffs, however, as in the provision of military aid, it is necessary to be guided by the wishes of the British government. It alone has the full knowledge enabling it to balance the need for foodstuffs and consumption goods generally against the need for arms and war materials, and to determine in what direction our aid can be most timely and most effective.

In none of its important aspects has Canada's war effort been planned in isolation. We engaged in the war as partners in a joint enterprise. If our effort is to fit into the efforts of the other British nations to produce a strong unified whole, our plans must be made in consultation with them. This does not mean that the Canadian government is not finally responsible for what is done by Canada, but it does mean that, before reaching our final decision, we discuss our plans with those with whom we are cooperating. Plans must, as I have so often said, be modified constantly to meet the shifting needs of war. This implies constant consultation in every field, military, economic and financial.

From time to time it has been suggested in Canada, in other of the dominions and also in Great Britain, that an imperial war cabinet or an imperial war council should be set up in London to give unified direction to the prosecution of the war by the nations of the British commonwealth. Those who advocate such a development are naturally thinking of what happened in the last war when such a body was found to be a useful and, indeed, a necessary instrument.

The imposing title undoubtedly has for many a certain appeal. An imperial war council composed of the prime ministers of the dominions and the British Secretary of State for Foreign Affairs and presided over by the Prime Minister of Great Britain would in fact be an imposing body. It suggests, too, opportunities for direct and intimate conference in the shaping of a common policy for the prosecution of the war in which the whole commonwealth has so vital a concern. It may be premature to speak of such a proposal inasmuch as the British House of Commons was informed as recently as December last that "the Prime Minister does not contemplate adding representatives of the dominions to the war cabinet at the present time." The matter, however, is one which from time to time has received careful consideration. It was discussed at the beginning of the war when Mr. Chamberlain was in office, and has been considered on several occasions since. A moment may come when it will be both desirable and necessary for a conference of the kind to be held in London, or in some other part of the British empire. At present it must be obvious that with the war presenting new and most serious problems to each and every part, in no place can the presence of a prime minister be more necessary or helpful to all concerned than in his own country. The proposal can best be judged by one simple test. Is it the most effective means of achieving the desired end? All other considerations must be put aside. Perhaps the best way of approaching the subject is to ask ourselves how the end is

now achieved. It is true that there is nothing imposing about the means which are employed. It may, nevertheless, be said that at this very time such a council exists in reality, although it has no visible form.

The matters of high policy, which in the imperial war council of the last war were considered around the council table by the heads of the several governments of the British empire, are to-day discussed between them by direct communication. The means and agencies of communication, in the intervening years, have alike been materially improved. The cable has been supplemented by the wireless and the transatlantic telephone. Each dominion has to-day its department of external affairs efficiently organized and in a position instantly to supplement the information essential as a background to the discussion of any problem. Not only is each government represented in London by its own special agent—a high commissioner—but the British government is also represented by a high commissioner in each of the dominions.

There are thus, so to speak, three sending and three receiving sources, through each of which special classes of communications are sent and received: (a) from prime minister to prime minister direct—those which relate to matters of high policy; (b) through the secretary of state for dominion affairs to the secretary of state for external affairs, and vice versa—matters more general in character and relating more particularly to information in detail on operations, and the progress of the war; (c) and finally, special communications supplementing those from the sources mentioned from the high commissioner to the prime minister, or to the secretary of state for external affairs and vice versa.

I might mention that in each of the dominions there are similar means and methods of consultation and communication. We are fortunate in having in our capital at this time distinguished representatives from all of the other dominions with the exception thus far, I think, of New Zealand. We have with us in the capital, as hon. members know, Mr. de Waal Meyer, as the representative of South Africa; Mr. Hearne, as the High Commissioner for Ireland, and Sir William Glasgow as High Commissioner for Australia. In these countries we are also represented by our high commissioners—in South Africa by Mr. Laureys, in Ireland by Mr. Hall Kelly, in Australia by Mr. Burchell, and in New Zealand by Doctor Riddell. There is not a day passes that communications in considerable number do not pass back and forth between Great Britain and Canada, many of which are identical with some of those sent to the other dominions. Communications sent by us to London which are likely to be of interest to the other dominions are also sent to the dominions. At the present time there are means of effective communication and consultation in all matters pertaining to the war, much more comprehensive than anything which existed during the last war. I doubt, indeed, if a more efficient arrangement could possibly be made.

The real but invisible imperial council made possible by these means of constant and instantaneous conference has one all-important advantage which would be denied to an imperial war council sitting in London. It affords the prime minister of each of the dominions the opportunity of discussing immediately with his colleagues in his own cabinet all aspects of every question raised. His expression of view, when given, is not his alone—it is the expression of view of the cabinet of which he is the head. It is an expression of view given by the cabinet in the light of its responsibility to parliament. It is, moreover, an expression of view given in the atmosphere, not of London, but of the dominion itself.

In war time, most decisions have to be made quickly. On that score alone, let me compare the two methods. If the prime ministers of the dominions were meeting in an imperial war cabinet in London, they would have either to act on their own exclusive responsibility without regard to their colleagues, or, alternatively, to hold up proceedings while they communicated with their governments at home. On the other hand, the existing arrangements permit the prime minister to consult his colleagues at once when any matter is communicated to him from another commonwealth government which requires an immediate decision. A decision can be reached at once with the secure knowledge that it represents authoritatively and finally the government as a whole.

Direct consultations have been and may continue to be necessary from time to time. They, however, are likely to be most required concerning aspects of the common war effort which necessitate detailed inquiry. Five members of the present government have already visited the United Kingdom since the outbreak of the war. Their visits have been of the greatest assistance to the government in coordinating our war effort with the war effort of the United Kingdom. I believe that these visits, supplementing as they do the regular channels of communication I have described, serve the common cause more effectively than arrangements which would be more formal and imposing.

There is an even more important consideration. Situations, as I have already said, are constantly arising which affect different parts of the British commonwealth in different ways. To meet these situations, the presence of the prime minister in immediate contact with his colleagues in his own country is of the highest importance. Such a situation was that occasioned for Canada by the sudden collapse of France. Such a situation is that which at the moment is presenting itself in the orient.

I think I have only to ask hon. members of this House of Commons if they were, at the moment, called upon to decide whether it would be better to have the Prime Minister of Canada attending at the present time a council in London or to have him here in this House of Commons in immediate association with his colleagues and in a position to confer with them, not only from day to day, and hour to hour, but from moment to moment; whether they would not consider, in a situation such as exists at this time, that it is better for him to be here at the head of the government, and at the head of the country which has elected him to office. I believe this would equally be the view of the government and the people of the United Kingdom.

The possibility of immediate personal contact between the Prime Minister of Canada and the President of the United States, in critical situations affecting the relations between the United States and the British commonwealth, may easily be more important to the common cause than any service which a prime minister of Canada could render at the council table in London.

The united national support of each dominion for its war effort will continue throughout the war to be more important than all else. Under constantly changing conditions, that unity will, I believe, be better maintained by the presence of the prime minister at the head of the administration at home than at the council table in London. What I have said about the Prime Minister of Canada applies, I believe, equally to the prime ministers of the other self-governing dominions. I am looking at the situation as we all know it to be at the present moment. I ask hon. members to consider whether the people of South Africa or the people of the United Kingdom would wish to have General Smuts in London at the present time, or would prefer to have him where he is in South Africa. I must ask a similar question with respect to the prime ministers of the other dominions.

It has also been suggested that the Canadian cabinet should be enlarged to include a minister for overseas affairs who would reside in London and have immediate charge of all Canadian war activities in the United Kingdom and elsewhere overseas. This suggestion is based on the practice in the last war when, for special reasons then existing, such a minister was found necessary by the government of the day. There are several reasons why the present government has felt that no such appointment is now desirable. In the first place, the office of the high commissioner in London is well organized and well staffed. The high commissioner himself has had a long experience in dealing with the various departments of the British government. A new appointee, without Mr. Massey's experience, could not possibly discharge these functions so well. Moreover, in view of the wholly satisfactory, indeed, the splendid services Mr. Massey has been rendering in his present position, the appointment of an overseas minister could scarcely be regarded as other than a reflection upon the high commissioner. Mr. Massey himself is a member of the Canadian privy council. His membership in the cabinet could add little to his authority.

It may even be questioned whether membership in the cabinet would not be embarrassing to the Canadian government representative in London, as well as to the government itself. If he were in the cabinet, his slightest word would probably be regarded as the opinion of Canada. It would be difficult and awkward for him either to refer questions to his colleagues in Ottawa, or not to refer them. If he made a practice of consulting his colleagues, he would seem to have little authority himself; if he failed to consult them, the result would be divided responsibility and uncertainty of jurisdiction, which could hardly fail to have unfortunate results.

It is the opinion of the government that Canadian interests in London and cooperation with the United Kingdom are better served by the system of consultation I have already described and by the present arrangement of having a high commissioner permanently resident there, and by the occasional visits of ministers from the cabinet at Ottawa who do not remain long enough to lose contact with Canadian conditions and the circumstances with which the government is contending at home. I might add that not the least significant of the achievements in Canada's war effort thus far has been the close cooperation and whole-hearted good-will which has characterized the relations between Canadian civil and military authorities in London and between the Canadian and British authorities there, as well as between the Canadian and British governments.

I should like, at this point, to say a word respecting the splendid work which Mr. Massey and his staff are performing. Their devotion, in difficult and often dangerous circumstances, is beyond praise. Mr. Massey himself has discharged his manifold and exacting duties with quite exceptional skill, discretion, and patience. He is a representative of whom all Canadians have every reason to be proud.

It has been the settled policy of the government not to extend diplomatic representation to countries in Europe during the continuation of hostilities. We are, however, continuing to maintain our diplomatic representation to the governments of Belgium and Holland, which, forced to flee from their own capitals, have been set up in London. These countries, neutral during the first eight months of the war, are now allies, and though their home countries have been overrun and at present lie subjected to the German invaders, they continue to control rich colonial empires and large mercantile fleets of great value to the allied cause. Mr. Jean Desy, Canadian minister to Belgium and Holland, has returned to Canada, but we are maintaining a chargé d'affaires in London to keep in touch with these governments and to deal with the questions which arise from time to time involving our collaboration with them as allies against a common enemy.

Diplomatic relations with France are on a slightly different footing. Colonel George P. Vanier, our minister at Paris, has returned to Canada, and has been asked, in view of his military training and experience, to serve on the Canadian section of the permanent joint board on defence. Mr. Pierre Dupuy, formerly on the staff of the Paris legation, is, however, remaining in London, where, among other duties, he is continuing to have regard for the needs and the repatriation of Canadian nationals who were unable to make an escape at the time of the invasion.

Few if any events have affected Canadians more profoundly than the tragic fate that has befallen France. We have not permitted her misfortunes to lessen our efforts on her behalf. Convinced that we are fighting her battle as well as our own, we are continuing our diplomatic relations with her, in the firm belief that whatever the pressure put upon her by an unscrupulous enemy, France will suffer herself to be destroyed before she will take up arms against Britain, or permit her fleet or naval bases on the Mediterranean to fall into German hands.

The diplomatic position with respect to France is, of course, more delicate than with regard to the other two countries I have mentioned, because of the fact that the French government, overwhelmed by the German onslaught, has entered into an armistice with the enemy. We in Canada, however, have no wish to add to the heavy burdens and difficulties which she is facing under the heel of a ruthless and arrogant conqueror, and so long as France takes no action that is contrary to the interest of Canada or her allies, there are the strongest of reasons why we should continue our present relations. We are well aware of the pressure which the enemy is exerting to secure her collaboration in the organization of Europe under German hegemony and control. We will, however, do nothing to stir up bitterness or recrimination over what is past, but will ever seek to encourage the French people to remain true to their great tradition, and to find once again their historic position in Europe and their high place in the comity of nations.

The situation in the far east, of which I spoke quite frankly in this house on November 12, has unfortunately continued to give cause for growing apprehension—an apprehension which is not lessened by the recent Japanese intervention as a mediator in the dispute between French Indo-China and Thailand, the new name for the old kingdom of Siam. As I have already said, the utterances of some Japanese statesmen have been far from conciliatory.

The decision of the Japanese government to ally itself with Germany and Italy, under certain conditions, has undoubtedly greatly increased tension in the whole Pacific area. We have done what we could do to lessen that tension and to avoid any occasion for its further development. We have been glad to welcome to Ottawa the new Minister from Japan, Mr. Seijiro Yoshizawa, who has come to take the post ably filled during the past two years by Baron Tomii. In a period when national passions are aroused, a period which is marked by so much suspicion of motives and of aims, when it is so easy to engender misunderstanding and ill will, we have tried to avoid any occasion for provocation or offence, we have sought to avoid propagandist activity, we have followed developments with forbearance and restraint, and have done our utmost to conserve a maximum of good will in a strife-torn world.

Partly, perhaps, as a result of growing tension in the far east, we recently witnessed an unfortunate recrudescence of anti-oriental and particularly anti-Japanese feeling in British Columbia. This campaign was characterized by wholly unsubstantiated and irresponsible charges and accusations against our fellow nationals and other residents of British Columbia who are of Japanese racial origin. As a result, public opinion was becoming aroused and unjustified fears were being entertained.

In order to obtain a complete and accurate picture of the actual situation on the Pacific coast, the government appointed a special committee composed of persons with a particular knowledge of British Columbia and of the Japanese. This commitee made a careful investigation and has presented a report and recommendations which have now been tabled in parliament. The government has approved the report and is carrying its recommendations into effect.

I shall close this necessarily very brief review of our relations with countries with which Canada has exchanged diplomatic representatives with a word or two concerning our relations with the United States. In a world in which the old methods of free and open discussion, and the old objectives of close and friendly collaboration between nations, have been so greatly curtailed, and over so large an area have disappeared altogether, it is a matter of special satisfaction that, in spite of the stresses and strains of war, our relations with our great neighbour, the United States, have, if anything, grown more cordial, friendly, helpful, and constructive. It is particularly gratifying also to see that there exists not only between our two governments but between our two nations, so perfect an understanding.

I have already referred to the rapidly growing realization by the American people that the fate of our democratic way of life is intimately bound up with the great cause in which we are actively engaged, and to the measures they are taking to make an effective contribution to our success in that struggle. I should like to add a word or two respecting an undertaking nearer home, one of the most important of our joint activities—the permanent joint board on defence. Since its formation in August a considerable number of surveys have been made on both the Atlantic and Pacific coasts of Canada and the United States, in which military, naval and air experts of both countries have taken part. Detailed reports have been prepared for the consideration of the two governments and appropriate action based thereon is being taken. These activities, touching on the joint defence of our coasts from possible overseas attack will continue to engage the closest attention of both governments and their expert advisers. I am heartily glad to record our deep satisfaction with the progress that has been made, and that intimate cooperation has been established in so vital a field.

Our own relations with the United States form but a part, a segment, of the great circle of friendships which now draw together the peoples of the English-speaking world. These friendships make especially intimate the relations at Washington between the representatives of the various parts of the commonwealth, and with the government of the United States to which they are all accredited. The sudden death of Lord Lothian, the warm-hearted and clear-seeing representative of His Majesty's government in the United Kingdom, at the zenith of his career as a great ambassador and interpreter of his country to the United States, has been most keenly felt. This is true not only in government and diplomatic circles in Washington, where his great abilities were recognized and appreciated, but also here in Canada, where he had so many warm friends and admirers. The strain imposed on the head of a diplomatic mission in Washington in the midst of a great war in which the moral and material support of the United States may be a factor of decisive importance, is exceptionally great. It was undoubtedly a contributing factor in Lord Lothian's death at the early age of fifty-eight.

I regret to have to inform the house of the present indisposition of our own minister to Washington, Mr. Loring C. Christie, who was a close personal friend of Lord Lothian for nearly a quarter of a century. Mr. Christie was appointed to the post of Canadian minister to the United States shortly after the outbreak of war, and within a month or two of the arrival of Lord Lothian as British ambassador. Like him, Mr. Christie had had long experience in responsible administrative posts and possessed a wide and intimate knowledge of the United States, where he was already on terms of personal friendship with leading figures in the United States government.

May I say that I have been amazed, and I might add, in the circumstances, not a little pained to observe recently slighting and belittling references to Mr. Christie. Men who spend their lives in the public service, even in the most responsible posts, are rarely well known to the general public. By the very nature of their work, they do not come in contact with the public, and uninformed persons know little of the contribution they are making to the solution of difficult questions, or the administration of public affairs. After a distinguished academic career at Acadia university in Nova Scotia and later at Harvard university in the United States, Mr. Christie was appointed by Sir Robert Borden, at the age of twenty-eight, to the post of legal adviser to the Department of External Affairs and took part, with his chief, in the work of the imperial war conferences of 1917 and 1918 in London, and the peace conference

at Paris in 1919. He attended the international labour conference at Washington in the same year, and was on the Canadian delegation to the first assembly of the League of Nations at Geneva in 1920. He was technical adviser to the Canadian delegation at the imperial conference in London in 1921 and to the delegation to the conference on limitation of arms which met in 1921-22 at Washington. During the latter part of this conference, indeed, he acted as secretary-general of the British empire delegation, and carried out his work in a manner that earned him the high praise of Mr. Balfour who headed the British delegation.

In 1923, Mr. Christie severed for a time his connection with the Department of External Affairs. He returned, however, in 1935. During the ensuing four years which preceded the outbreak of war, he attended a number of international conferences, either as technical adviser or as government representative. He also was immediately concerned with the more difficult problems coming before the Department of External Affairs. His intimate knowledge of constitutional and international law and of international affairs and his sound judgment were of the greatest possible assistance during those troubled years. When the war finally broke over the world and a vacancy occurred in the post of Canadian minister to Washington, I decided that, of all the Canadians available, Mr. Christie was by his training, experience and character, outstandingly qualified to represent the Canadian government in Washington.

The special conditions arising out of the war made many and heavier demands on the Canadian legation than ever before. Mr. Christie's intimate knowledge of government and administrative processes at Washington and of the questions arising between Canada and the United States proved of immense value, enabling him to perform services of the greatest usefulness to Canada.

Since his illness, which has been brought on to a considerable extent at least by the heavy pressure of his official duties, and the whole-hearted way in which he has thrown himself into them, Mr. Merchant Mahoney, counsellor of the legation, who has been on the legation staff since its establishment and who is probably more familiar with the departments of the government at Washington and the work they are carrying on than any other diplomat in that capital, has done outstanding service, and with the assistance of an efficient and hard-working staff has carried on the heavy work devolving on the Canadian legation. I can assure the house that Canada's interests at Washington have not been allowed to suffer in consequence of Mr. Christie's illness. It is apparent, however, that Mr. Christie's condition of health will necessitate immediate provision for additional or other representation at Washington. The matter has been under review and I expect to be in a position to make an announcement with respect thereto in the course of a few days.

The appointment of Lord Halifax as British ambassador to Washington marked a further stage in the development of relations between the United States and the British commonwealth. The increased importance of British representation at Washington was further emphasized by the appointment of Sir Gerald Campbell as British minister to the United States, where he will serve as Lord Halifax's principal collaborator. I cannot express too warmly the appreciation felt by my colleagues and myself of the exceedingly helpful as well as very pleasant relations which existed between Sir Gerald and ourselves throughout the whole of the time he held the office of High Commissioner for the United Kingdom in Canada. I am sure hon. members will wish me to express our regret that Sir Gerald Campbell has left Ottawa, and at the same time to voice our congratulations on his new honour.

We are fortunate, indeed, that Sir Gerald Campbell is to be succeeded by a high commissioner who comes to us not as a stranger but as a friend. The government was particularly gratified to learn of the appointment of the Right Hon. Malcolm MacDonald. An especially warm welcome awaits Mr. MacDonald as the new tenant of Earnscliffe.

For the past decade or two, the countries of South America have been making especially rapid strides not only in the development of their rich and varied natural resources, and in trade with other countries, but in all the activities which go to the development of national life and international relations. Since the outbreak of war, and the consequent cutting off of commercial and cultural relations with Europe, their economic and political importance has greatly increased.

As hon. members are aware, we have been represented at various commercial centres in Latin America by the Canadian trade commissioner service, which, under the direction of the Minister of Trade and Commerce (Mr. MacKinnon), has done splendid work in the promotion of markets for a wide variety of Canadian products and in making known trade opportunities to Canadian firms engaged in the export field. Trade commissioners deal with the business world but they do not have access to governments. In recent years, the question of market opportunities has been complicated by import restrictions, quotas,

exchange controls, barter and clearing agreements, and other governmental restrictions on trade. In order to secure needed adjustments and modifications where our interests are concerned, it is desirable to be able to enter into discussions with the governments themselves. The war, shutting off European markets and European sources of supply, will greatly stimulate intra-American trade and may well raise problems which will require the careful attention of governments. Moreover, the war has given a new importance, not merely to trade questions, but to the development of mutual understanding and friendly relations on the broadest basis.

As I intimated earlier in the present session, on November 14, 1940, the government has decided to exchange diplomatic representatives with the two largest and most important of the South American republics. For some years both Brazil and Argentina have expressed a desire to enter into diplomatic relations with Canada. They have recently named ministers to Ottawa. We shall be glad to welcome them to Canada, not only in their personal and representative capacities but as a further evidence of the growing importance of these countries and of the close and cordial relations which happily exist between Canada and South America.

Provision is being made in the estimates for the establishment of Canadian legations in the Argentine and Brazil. When the necessary appropriations have been made, I hope to be in a position to announce the names of the Canadian representatives to both of these countries.

I should perhaps add that approaches have been made by other Latin American republics looking to an exchange of ministers with Canada. Their position, however, is somewhat different. While I should not wish it to be understood that further extension of our representation is contemplated at the moment, I should wish it to be known that the government will continue to give the most friendly consideration to the general question.

For the League of Nations the past year has been one of exceptional difficulty. This has been the case, not only because of the cynical disregard of the league's principles and the overrunning of several of its members by the aggressor states, but also because of the withdrawal of certain neutral countries and the difficulty of communicating with the seat of the league in Geneva. While the political activities of the league have had to be greatly curtailed, or abandoned, it is of first importance that the economic, financial and humanitarian work which the league has been so successfully carrying on should be continued and the machinery for that work be maintained. The Canadian government has therefore supported the decision of the acting secretary-general to transfer part of that work to the United States where the facilities of the Institute for Advanced Study at Princeton have been placed at the disposal of sections of the secretariat dealing with the economic, financial and transit questions.

We have also been glad to welcome to Canada members of the international labour office, who, under the direction of the Hon. John G. Winant, recently named United States ambassador to Great Britain, have been provided with working quarters for the duration of the war by McGill University, Montreal. The work of this great organization is important not only in helping to solve problems arising from or made acute by the war, but also the problems which, if experience is any guide, the after-war period may be expected to bring with it. We are therefore glad of every opportunity to assist in making it possible to carry on in Canada the services and studies which, because of the dislocations of the war, can no longer be effectively carried on from Geneva.

It would not be fitting that I should conclude this review of Canada's external affairs and of our present international relations without reference to the loss Canada has sustained since the house last met, in the passing of one of the noblest of her sons and one of the greatest of her public servants, whose life was so completely identified with world affairs.

Seventeen years ago, Doctor O. D. Skelton entered the service of Canada at my request. For sixteen years he was Under-Secretary of State for External Affairs. Before he came to Ottawa his teaching had inspired thousands of young Canadians. Throughout his whole life he enriched our national heritage by his scholarship, our national service by his labours, and innumerable lives by the gift of his friendship.

The outbreak of war and the anxieties of the years which immediately preceded it threw new and heavy burdens on the Department of External Affairs. In spite of failing health, the advice of his doctor and the entreaties of his friends, Doctor Skelton insisted on shouldering far more than his full share of them. I have never seen anything which surpassed his devotion to duty as exemplified in his daily work. His death was marked by expressions of sorrow, admiration and affection almost unprecedented. Many notable messages bore witness to his great work, not only for Canada and the British commonwealth but for the cause of international good will and human understanding the world over.

Only those who have had the closest association with Doctor Skelton during those seventeen years could begin to know what his life meant to the public service of this country. Selfless and self-effacing labour, the highest integrity, and the enlightened use of whatever leisure was granted to him were the measure of his devotion to his native land. Throughout the many tributes that were paid to his work and his memory there ran the theme of his modesty, his kindliness and the example he set and created for the young men who grew up with him in the diplomatic service of the department of which he was the permanent head. It is impossible for me to express in words what I owe to his wisdom, his experience, his counsel and his faithful friendship.

It is a matter of common knowledge that Mr. Bennett, who knew and appreciated the eminent virtues of this great public servant, offered him a knighthood, which Doctor Skelton felt obliged to decline. I wished to submit his name to the representative of the king for a privy councillorship, not as an honour or reward but as a sworn relationship which I deemed appropriate to the performance of his highly confidential duties. This position he was unwilling to accept. He believed that men in the public service could best carry on their work by remaining in the background of anonymity and retiring from the light of public favour. He refused to accept any honour or position which would appear to remove him from the level of his fellow workers or create any barrier or embarrassment between him and them. He hated notoriety, controversy, publicity and everything that was blatant or garish. He knew that the great things in life are wrought in the stillness and solitude of the mind of man, and that reflection and silence become a trusted servant of the people far more than speech and the glitter of the limelight.

By his own modest acceptance of these high traditions of the public service, which he did so much to create, he fashioned the pattern of the Department of External Affairs. Like Doctor Skelton I have always believed, and I believe this house will agree, that the quiet persistent dedication of Canada to the cause of international understanding best fulfils our mission, and perhaps destiny, in a stricken world.

The result of Doctor Skelton's example and influence is that to-day in the Department of External Affairs, in London, in Washington, and elsewhere throughout the world this nation is served by men who, thinking nothing of public acclaim, of personal distinction, or of public reward, have laboured without ostentation, steadily and silently, for the great cause which has been entrusted to their hands.

The name of Doctor Skelton deserves honour on the lips and in the hearts of all Canadians. While he asked for no reward while he lived, he would be humbly proud to know that in the remembrance of his life and labour Canadians found a new dedication and a continuing devotion to national unity, international good will, and the thoughtful and unselfish labour without which they cannot be maintained.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, may I at the very outset associate myself with the remarks which my right hon. friend has made with reference to the late under-Secretary of State for External Affairs, Doctor Skelton. It was my privilege and pleasure to know Doctor Skelton intermittently over a period of twenty years. Of course I had not anything like the contact that my right hon. friend, or even other members of the present administration, would have had with Doctor Skelton in his lifetime in the course of his duties. But I had sufficient contact with him to know that he was a great scholar and, may I say, a great gentleman. I think I can pay no greater tribute to his memory than to say that he was probably one of the best public servants that Canada has ever produced.

With the early part of my right hon. friend's remarks as to the seriousness of the present situation we on this side of the house are in agreement. Anyone who has observed events as they have occurred during the last few days; anyone who has been observing with anxiety, as I know we all have, the trend of events in the various theatres of war, particularly the continent of Europe, the Mediterranean area and the far east, must be impressed with the thought that within a very, very limited period of time an effort will be made by the axis powers to crush our mother country. In the defeat of that effort Canada will, I am sure, do her part.

To-night I do not wish to say more with respect to the statement of my right hon. friend. With many of the things he has said no doubt we are all in agreement. I am rather intrigued, however, by the number of shadow men, straw men, that he has put up to be knocked down, and I am just wondering what is the implication behind a large portion of his remarks in that regard. Therefore, sir, I move the adjournment of this debate.

Motion agreed to and debate adjourned.

On motion of Mr. Mackenzie King the house adjourned at 5.58 p.m.

Tuesday, February 18, 1941.

The house met at three o'clock.

PRIVILEGE—MR. POULIOT

REFERENCE TO EDITORIAL IN THE TORONTO GLOBE AND MAIL

Mr. JEAN-FRANÇOIS POULIOT (Temiscouata): Mr. Speaker, I rise to a question of privilege. The Toronto *Globe and Mail* published on December 17 last an editorial in which the following sentence appears:

How was Mr. Purvis honoured by the Canadian government for the time and energy he gave unsparingly? When his report was under debate in the House of Commons in April, 1938, the Liberal member for Témiscouata created a scene by throwing a copy on the floor and calling it "rotten", demanding the deportation of Mr. Purvis to his native country, England, as an undesirable. Although Hon. Norman Rogers, Minister of Labour, rebuked the irresponsible member, we have no information that Prime Minister King was moved out of his complacency.

The *Globe and Mail* was born of a merger of two respectable papers, one being the *Globe*, which was a respectable Liberal organ. In its issue of May 24, 1935, the *Globe* carried an editorial entitled "'Irresponsible'—Never", which reads as follows:

An Ottawa dispatch from the editor of the *Globe*, appearing in yesterday's issue, contained one of those unfortunate errors generally classified as "typographical", and one which, in this instance, was particularly ridiculous. As written in Ottawa it referred to M. Jean-François Pouliot as "the irrepressible member for Témiscouata"; in print the word "irrepressible" became "irresponsible"!

The member for Témiscouata being anything but "irresponsible", the mistake is obvious to those who know him. If "irrepressible" had been changed to "irresistible", indefatigable", or any one of a dozen other words that would apply aptly to M. Pouliot, it would not have been so bad—but "irresponsible" is the limit of absurdity. However, the imp that muddies such things had its way.

M. Pouliot is among the valuable members of the house, well informed on all subjects; a tireless worker, who of late has added to his parliamentary duties the difficult task of compiling a sadly needed classification of unemployed persons in Canada, which will be of the greatest value in relief work.

The editorial concludes with a quotation from Horace Greeley.

The other parent of the *Globe and Mail* was the *Mail and Empire*, a highly respectable Tory paper, which in its issue of May 18, 1936, referred to the member for Temiscouata in these words:

Mr. Pouliot is just about the most interesting and the most hopeful figure which the present parliament possesses. . . .

Likeable and always courteous, sincere and hard-working. Such are the attributes which commend him. . . . The only sure conclusion is that he is definitely one of parliament's significant personalities. It is likely that democracy could not function if every member of parliament insisted on being a Pouliot.

Some hon. MEMBERS: Order.

Mr. POULIOT:

It is also a fact, however, that many of the abler members of parliament would go far towards restoring parliament to its traditional ideal if they fashioned themselves more on the Pouliot model of independence to party domination, and diligence.

Now, sir, just one word. I was mentioning the fact that the *Globe and Mail* was produced by merging two respectable papers, one Liberal and one Tory; and the result is a still-born shrimp—*un avorton mort-né*—which is a true emblem of the national government which is advocated by such hon. members as the member for Parkdale (Mr. Bruce).

WAR MUNITIONS AND MATERIALS

JOHN INGLIS COMPANY—TABLING OF CONTRACTS AND ORDERS IN COUNCIL

Hon. C. D. HOWE (Minister of Munitions and Supply): I desire to lay on the table, as requested by the leader of the opposition (Mr. Hanson) all contracts between the Department of Munitions and Supply and the John Inglis company, and copies of all orders in council passed in that connection.

DOMINION-PROVINCIAL CONFERENCE

QUESTION AS TO CARRYING OUT OF SOME OF RECOMMENDATIONS OF ROWELL-SIROIS REPORT

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): I desire to ask a question of the Prime Minister. In a return tabled yesterday, sessional paper 103C, being the correspondence between the dominion government and the governments of Manitoba and Saskatchewan with reference to the royal commission on dominion-provincial relations, there appears a letter under date September 23, 1940, from the Prime Minister of Canada to the Premier of Manitoba. In that letter appears the following paragraph:

You will appreciate that it may be possible to carry out some of the commission's recommendations without calling a conference in the first instance. So far as it may appear to be in the national interest and that of the provinces so to do, the government intends to proceed accordingly.

Will the Prime Minister be good enough to indicate to the house at an early day what recommendations of the so-called Sirois

commission might, in the opinion of the government, be carried out without the calling of a conference in the first instance, and what action is now proposed by the government with respect to such recommendations?

Right Hon. W. L. MACKENZIE KING (Prime Minister): As my hon. friend has been kind enough to ask me to reply to that question at an early day, I shall be happy to do so.

Mr. HANSON (York Sunbury): Very well.

BUSINESS OF THE HOUSE

SUSPENSION OF STANDING ORDER 60 TO PROCEED WITH WAR APPROPRIATION MEASURE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Prime Minister): It was understood at the time of adjournment yesterday that, if the house would give its consent to-day, the government would proceed with the introduction of the resolution on which the war appropriation bill for 1941-42 is based. To proceed, however, with that resolution will require, as I have indicated, not only the unanimous consent of the house but its consent to waiving standing order 60, which is as follows:

> If any motion be made in the house for any public aid or charge upon the people, the consideration and debate thereof may not be presently entered upon, but shall be adjourned till such further day as the house thinks fit to appoint; and then it shall be referred to a committee of the whole house, before any resolution or vote of the house do pass thereupon.

The motion to ask the consent of the house to dispense with standing order 60 will be put by the Minister of Finance (Mr. Ilsley) when he requests permission to introduce the resolution. I am referring to the matter at the outset in order that hon. members may appreciate the procedure suggested and comment upon it if they so desire. Hon. members will see that the regular procedure, if one followed the rules literally, would prevent the house having before it any explanation of the war appropriation bill earlier than Thursday of this week; because, while the notice appears on the *votes and proceedings* of to-day, to-morrow it would appear under government orders, and at that time the Minister of Finance in giving notice of his intention to proceed would be obliged to advise the house that His Excellency the Governor General had been informed of the subject matter of the resolution and recommended it to the consideration of the house, and that on the day following he would move that the house go into committee of the whole to consider the resolution. To follow that routine of procedure—

which has much to commend it at certain times but would seem rather to impede progress at the present time—would occasion delay and would, I imagine, deprive hon. members getting, as early as they would wish to receive it, the information which the Minister of Finance would give on presenting the resolution.

May I say that the government has no desire to press any of its measures at any stage unless so doing is going to accommodate the house generally. I should like it to be distinctly understood that we will not press for the advancement of the resolution by a single stage, certainly not at this stage of the reassembling of the house. But I do think hon. members will agree that it would be desirable to have some business to proceed with this afternoon. If the motion is carried we will then have the opportunity of receiving at once a statement on the war appropriation bill from the Minister of Finance. How much further proceedings should be carried will be, of course, a matter for the house itself to decide.

Hon. R. B. HANSON (Leader of the Opposition): I should like to say on behalf of this party that we are cognizant of all the things which the Prime Minister (Mr. Mackenzie King) has alluded to. Further I would like to observe that probably this is the most important resolution in size or magnitude, measured by dollars and cents, which has ever come before the Canadian House of Commons. The figures which have been spoken of and which will be revealed are almost fabulous to us who deal in small things. Therefore I agree with the Prime Minister that there should not be the slightest move on the part of anyone, least of all the government, to press the matter forward. But I do think it would be a pity if we should have to wait two days formally to get the matter before this House of Commons and to have the minister make his opening statement.

So far as we are concerned we shall be glad to waive the rules with respect to notice and have the Minister of Finance (Mr. Ilsley) make his motion this afternoon, and his preliminary speech, on the understanding that the debate will be adjourned in order that I, and everybody else I would hope, may give due consideration to the magnitude of this proposal of the government, having regard to the times through which we are passing. The figures are astonishing. The Canadian people must be brought to a realization of the greatness of the effort as measured in terms of dollars and cents and all that that implies. Therefore, so far as we are concerned, we shall facilitate the introduction of the motion on the under-

standing that ample time be given not only for the membership of this house but for the general public, through the medium of the great press of Canada, to understand just what is involved in it.

Mr. MACKENZIE KING: I understand the leader of the opposition to say that he gives his consent to the motion being immediately introduced by the Minister of Finance, on the understanding that if the motion carries and the minister introduces the resolution and makes his speech thereon the debate will then be adjourned.

Mr. HANSON (York-Sunbury): That is my understanding.

Mr. MACKENZIE KING: May I observe that we are perhaps apt to forget that parliament has been already in session for four or five weeks. Hon. members may not recall as clearly as they would had there been no adjournment, what was said during the debate on the address. If the session were being opened now, I should feel that, at the time of the introduction of the war appropriation bill, it would be desirable for the ministers of defence and the Minister of Munitions and Supply to make statements outlining the activities of their departments in relation to Canada's war effort. But these statements, however, have already been made. They appear in *Hansard*. For that reason the government does not propose to have that particular course repeated at this time.

Hon. members will recall that when the war appropriation bill was introduced at the last session, I made in concise form a statement setting forth the government's war effort programme. Yesterday, speaking on foreign affairs, I took advantage of the opportunity to include in my remarks a concise statement of the government's present programme. There will be no necessity, therefore, to repeat that statement.

I mention these two facts as hon. members, in debating this particular resolution and the bill, may wish to refresh their memories by looking up in *Hansard* the reviews made by my colleagues and the activities of these several departments and also should they so desire that portion of my remarks of yesterday outlining the government's war programme. For this reason, I agree with the leader of the opposition that it would be in the interests of all concerned to have at this stage of the session, an adjournment after the Minister of Finance has spoken. I share his view that there has never been any measure introduced in the parliament of Canada which has involved as large an expenditure as the bill which will be based upon the resolution which is to be presented to-day. I believe that the public of Canada will appreciate the desire of hon. members to have as much time as possible carefully to study that statement in all its implications before beginning to debate the resolution. The public will realize that, as we have just come back after an adjournment of several weeks, the only means whereby such an opportunity could satisfactorily be afforded would be to adjourn the proceedings of the house for the remainder of the day so that hon. members might prepare themselves for further debate to-morrow.

WAR APPROPRIATION BILL

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

Hon. J. L. ILSLEY (Minister of Finance): As the Prime Minister (Mr. Mackenzie King) has said, it will be impossible for me to make the motion without the unanimous consent of the house, which I understand is being given. As I understand the procedure, I make two motions. The first is that the house resolve itself into committee of the whole immediately. If that passes I then move that the Speaker leave the chair, and on that motion I make such remarks as I have to submit to the house.

I move:

That the house resolve itself into committee of the whole this day to consider a resolution to provide that moneys be granted to His Majesty towards defraying expenses or making advances or loans during the year ending March 31, 1942, and that standing order 60 be suspended in relation thereto.

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

Motion agreed to.

Mr. ILSLEY moved:

That Mr. Speaker do now leave the chair.

He said: I wish to speak to this motion. Perhaps the shortest way in which I can bring the subject matter of the resolution before the house is to read the resolution as it appears in the *Votes and Proceedings*:

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

1. That sums not exceeding $1,300,000,000 be granted to his majesty towards defraying any expenses or making any advances or loans that may be incurred or granted by or under the authority of the governor in council during the year ending March 31, 1942, for—

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

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

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

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

2. That the governor in council be empowered to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money, not exceeding in the whole the sum of $1,300,000,000 as may be required for the purpose of defraying such expenses or making such advances or loans, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund.

3. That the governor in council be empowered to reexpend, advance or loan moneys that may be received by way of refund or repayment of advances, loans or expenditure under the war appropriation acts of 1939 (2nd session), 1940 and 1941.

If this resolution pass it will be followed by a bill, the War Appropriation Act of 1941. This bill will be substantially in the same form as the War Appropriation Act passed last summer. The essential features of the bill are:

(1) A vote of credit.

(2) A grant of borrowing authority; that is to say, it gives the governor in council power to borrow funds to pay for any of the expenditures covered by the vote of credit.

(3) It confers power to make temporary recoverable advances to any allied government.

The only change of substance is a provision authorizing the governor in council to reexpend refunds of expenditure or repayments of advances or loans made under this or any previous war appropriation act. For example when a dominion wholly-owned corporation buys, let us say, rubber or silk, the purchase price is charged against the war appropriation. Later the government corporation sells the rubber or silk to firms which have war contracts, and the government is reimbursed for its original expenditure. The purpose of the amendment—perhaps I should call it the new feature of this bill—is to allow the amount reimbursed to be reexpended without making an additional appropriation.

The same principle is involved in connection with temporary advances or loans which are really in the nature of revolving funds. The adoption of the new principle will avoid duplication or pyramiding of expenditures or loans.

Perhaps I should follow the precedent which was set in the introduction of war appropriation bills in the last war, and give the house some indication of the expenditures that were made under the last War Appropriation Act. It might be more appropriate if I did that at the time of the introduction of a supplementary war appropriation act, which will be necessary before the end of the present fiscal year, but it is a little difficult for the house to give intelligent consideration to the war appropriation bill which we are introducing now unless the house knows something of the disposition that was made of the moneys provided by the last War Appropriation Act.

[Mr. Ilsley.]

Expenditures under last year's act:

Under the War Appropriation Act of 1940, which was assented to on May 29, $700,000,000 were provided for war expenditures. In the budget brought down by the present Minister of National Defence (Mr. Ralston), then Minister of Finance, in June of 1940, he stated that the amount required for the full fiscal year would be larger than this total by perhaps $150,000,000 to $200,000,000.

On the second day of August last I spoke in this house and indicated that the total commitments then outstanding for the present fiscal year were approximately $940,000,000. I think the leader of the opposition (Mr. Hanson) will remember that occasion, because for some days he was pressing the government to state what the commitments were for the present fiscal year, and $940,000,000 was the best estimate we could make then, after crediting the money that we expected to be repaid to us by the United Kingdom government.

Now, what has been the actual experience? For this fiscal year up to January 31 the actual cash outgo on the dominion war account has amounted to $538,804,000, excluding $27,133,000 of disbursements recoverable from the United Kingdom or other allied governments. This amount is broken down as follows:

Militia services	$268,686,000
Naval services	57,990,000
Air Force	
Home war defence and overseas	41,188,000
Air training plan—Canada	86,294,000
Other defence services (administration, internment, censorship, Royal Military College, etc.)	4,155,000
Department of Munitions and Supply	61,951,000
Other departments	18,540,000
	$538,804,000

This total does not take full account of obligations incurred overseas for which accounts have not yet been rendered by the United Kingdom government. We have made certain advances on account pending the working out of final accounting arrangements, including per capita issue rates for various supplies and services.

For the full fiscal year it is now estimated that our total war expenditures will approximate $875,000,000. That is the closest, the most accurate estimate that can be made now. It means a rapid expenditure during the remaining months of the fiscal year; the expenditure being made now is at a rapid rate. Starting at relatively low levels in the early spring and summer months—approximately $25,000,000 a month in the first quarter of the fiscal year—our war expenditures increased rapidly, amounting in December to $84,000,000 and in January to $87,000,000. This is at a rate of over a billion dollars a year.

In planning the war programme for the coming year we have had regard to the following factors:

(a) The physical capacity of Canada to produce equipment and supplies for ourselves and Britain;

(b) Our consultations with the British government as to the forms our effort should take in order to make the most effective contribution to the joint cause; and

(c) Our belief that the Canadian people desire that this country do its utmost, and that they are willing to make the sacrifices and bear the burdens which such an effort involves.

To finance the programme that has been developed on the basis of these considerations we have decided to ask parliament for a war appropriation of $1,300,000,000 for the coming fiscal year.

The war programme which was outlined by the Prime Minister yesterday and the war activities which will be carried on during the next fiscal year, as set out in the statements made by the defence ministers in the debate on the address, will involve a total estimated expenditure in excess of this sum by perhaps as much as $150,000,000. But, as the house will realize, there are very great difficulties in making precise estimates of war expenditures. In particular, there are at least three factors which make accurate estimates impossible.

First, there is the impossibility of calculating wastage of equipment and the amount of ammunition that will be used, as this will depend upon the nature of the warfare that develops.

The second factor has to do with the capital assistance which has been given to manufacturing plants through the Department of Munitions and Supply. Large sums of money have been advanced, and additional sums will be advanced, to contractors to pay for adding to their plants or to build new ones. Additional sums will be advanced to provide working capital. In many cases Canada and the United Kingdom are making advances on a joint basis, but in some of these cases the division between the two countries has not been settled. In the meantime the money has been put up in order that there shall be no delay; the division will be worked out later.

A part of these advances may be returned during the course of the year, but this cannot be determined now. Furthermore, a portion of the amortization cost of the capital expenditures resulting from such advances may be included in the cost of the equipment which is included in the estimates of the Department of National Defence. If this is the case there may be some duplication in the amounts included in the estimates of the Department of Munitions and Supply and the Department of National Defence. At this stage it is difficult—impossible, I should say—to determine the extent of such duplication because the costs of the equipment which is to be produced are themselves based on estimates. The accuracy of these estimated costs will depend to a considerable extent upon the quantity of equipment which will be produced.

The third factor making for uncertainty in estimating is the question of the amount of war materials and equipment which can be physically produced and delivered within the coming fiscal year. Estimates have been made of the probable deliveries, and I assume that the Minister of Munitions and Supply (Mr. Howe) will be discussing the whole question of the production programme at the proper time. It will suffice if I say that this programme is dependent in certain important aspects upon the delivery of machine tools and parts from the United States. If there should be delays in such deliveries the completion of the equipment in question will be held up.

In view of these various uncertainties I thought it preferable not to ask at this time for the total of the estimates which have been submitted. Instead, as I have said, the bill calls for an appropriation of $1,300,000,000. It may be that the total cost of our war effort expenditures during the coming fiscal year will exceed this figure by a considerable amount, and if it does it will be necessary for me to come back for an additional appropriation at a later date.

However, in determining the magnitude of our total war effort we must not overlook another burden which Canada has assumed. I refer to the assistance which we are giving to the United Kingdom in financing the war materials, equipment and other supplies which are being produced for the United Kingdom in Canada. During the first eleven months of the war we made available to her 184 million

Canadian dollars by our repatriation programme; that is, by buying in or paying off Canadian securities which were held in the United Kingdom. For the succeeding six months period ending January 31 of this year we agreed to provide $150,000,000. We have done this, and indeed by the end of this month will have provided an additional $137,000,000 by accumulation of sterling which, in part at least, is in anticipation of repatriation to be carried out in later months of the year. I cannot now estimate the total amount which we will be able to do for the second full year of war or for the fiscal year 1941-42, but I can say that we are following the policy of going as far as it is practically possible to go.

While repatriation involves the repayment of foreign indebtedness, and thus will strengthen the economy in the long run, it is obvious that to-day it imposes additional strain on Canada by increasing the amount her people must save in order to purchase the securities which are being returned to this country. For practical purposes, in considering the burden which is to be placed upon this country it is just as much a part of our war effort as the expenditures which we propose to make on our own account.

Mr. HANSON (York-Sunbury): Would the minister allow me to interrupt in respect to this repatriation? Would he be good enough to elucidate as to the character of the securities repatriated and whether they have been or are to be placed upon the market? That is quite an important point.

Mr. ILSLEY: All the securities that have been repatriated by or on behalf of the Canadian government to date have been government or government guaranteed securities.

Mr. HANSON (York-Sunbury): They are being cancelled, then?

Mr. ILSLEY: Yes; they are not going on the market. There are industrial securities which are being placed on the Canadian market by the United Kingdom directly, in very much smaller amounts.

If we assume that we will be able to provide assistance in this way to the extent of, say $400,000,000—I am speaking about repatriation still—and if our direct war expenditures do not exceed the $1,300,000,000 which the present resolution asks parliament to appropriate, we get a total of $1,700,000,000 as the financial measure of the burden of our war effort. If we add to this total the non-war dominion estimates of $433,000,000 and probable provincial and municipal expenditures of say $575,000,000 we get a total of over $2,700,000,000 which governments will have to raise from the Canadian people during the coming fiscal year.

[Mr. Ilsley.]

We get talking of these hundreds of millions and billions, and after a while some of us lose our sense of the importance and significance of these sums, but $2,700,000,000 is an important amount of money for governments to raise from the Canadian people in one year. This is over fifty per cent of the national income, which for the coming fiscal year we estimate will be about $5,300,000,000.

In this calculation hon. members will have noted that I do not take into account the additional moneys which will have to be tied up in wheat financing, or the possibility that our direct war expenditures may exceed the amount we are now asking from parliament.

I pause, Mr. Speaker, to let the meaning of this programme and these amounts sink in. Probably none of us can realize the true significance of passing over to governments on the average half of our individual income; or, to put it another way, devoting half the labour and productive facilities of the country to war and other governmental work. When it is remembered that a large part of our population is now at such a level of living standards that it can bear very little of the increased burdens which Canadians as a whole must bear, the burden on the remaining part of the population becomes recognized as all the more staggering. Let each of us in this house ask himself what would happen to his own standard of living if he were to pay or lend more than half his individual income to the state. We are asking the house for this appropriation because we recognize the fact that probably this will be the most critical year in the history of civilization.

I need not say that to carry out the war programme for which we are asking the house to make provision will tax Canada's productive capacity to the limit, will necessitate a continuing and more rapid shift from peacetime to war-time production, and will require for many of us drastic changes in our mode of living and habits of life. As the Prime Minister said in his Sunday night broadcast about two weeks ago, it will "mean more in the way of united determination, effort and sacrifice than has ever before been asked of the Canadian people."

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, as has been intimated by the Prime Minister (Mr. Mackenzie King) it is not my intention to proceed with this debate this afternoon, and I think the concluding observations of the Minister of Finance (Mr. Ilsley) will indicate to the house and country one of the reasons why I do not wish so to proceed.

I wonder if the membership in this chamber followed those figures? I wonder if the Canadian people will realize their significance?

I may say to you, sir, that the significance of those figures impressed me more than anything else connected with finance I have heard since coming to the House of Commons. It could not fail to do so. The magnitude of the sacrifice the people of Canada are to be asked to make for 1941 will be emphasized in their minds by the staggering amounts of money the Minister of Finance has asked them to provide.

For these reasons I do feel we ought to take time to ponder what has been said this afternoon. Each one must face the situation squarely, as a citizen, to see how it will affect him, and how it will affect the country as a whole. On more than one occasion I have said the people of Canada will give the government money for its war effort, and the people will hold their government strictly accountable for the manner in which the effort is carried on and in which the expenditures here indicated will be made. I repeat those statements to-day. By and large, Canadians will make willingly any sacrifice the government may ask them to make, if they are assured the money is to be spent in a proper manner and for the purposes for which parliament is about to vote it.

Notwithstanding the fact that this is a party government,—and it still is—motivated by a party spirit, the people of Canada are behind the government's war effort. But those same people I am satisfied are determined to see this war through, if it takes their last dollar. I congratulate the Minister of Finance upon having made a plain statement, notwithstanding the magnitude of the amounts mentioned in it. I hope Canadians will read that statement, every word of it, and understand the significance of it.

On motion of Mr. Hanson (York-Sunbury) the debate was adjourned.

On motion of Mr. Mackenzie King the house adjourned at 3.55 p.m.

Wednesday, February 19, 1941.

The house met at three o'clock.

DEFENCE OF CANADA REGULATIONS

REPORT WITH RESPECT TO DETENTIONS FROM NOVEMBER 1, 1940 TO FEBRUARY 17, 1941

Right Hon. ERNEST LAPOINTE (Minister of Justice): As required by regulation No. 21 of the Defence of Canada regulations, I desire to lay on the table of the house the number of detention orders which have been made during the period from November 1, 1940 to February 17, 1941; the number of cases in which a report has been made by the advisory committees; the number of releases; and the number of cases in which the Minister of Justice declined to follow the committee's recommendations.

PRECIOUS METALS MARKING ACT

AMENDMENTS WITH RESPECT TO GOLD WATCHES AND SPECTACLE AND EYEGLASS FRAMES

Hon. JAMES A. MacKINNON (Minister of Trade and Commerce) moved for leave to introduce Bill No. 12, to amend the Precious Metals Marking Act.

Mr. HANSON (York-Sunbury): I think we should have an explanation.

Mr. MacKINNON (Edmonton West): The bill provides for two amendments dealing with the marking of the gold content in ordinary and bracelet watches, and adds a new section to the act governing the requirements for spectacle or eyeglass frames or parts. Full explanation is given in the explanatory notes in the bill.

The amendments in regard to watches have been approved by the Canadian Jewellers' Association, and those in regard to eyeglasses by eight provincial optometrical associations.

Motion agreed to and bill read the first time.

CANADIAN NATIONAL RAILWAYS

APPOINTMENT OF GEORGE A. TOUCHE AND COMPANY AS AUDITORS

Hon. C. D. HOWE (for the Minister of Transport) moved for leave to introduce Bill No. 13, respecting the appointment of auditors for National Railways.

Motion agreed to and bill read the first time.

MEAT AND CANNED FOODS ACT

APPLICATION OF COMPULSORY INSPECTION AND MARKETING PROVISIONS TO CANNED LOBSTER

Hon. J. E. MICHAUD (Minister of Fisheries) moved for leave to introduce Bill No. 14, to amend the Meat and Canned Foods Act (fish and shellfish).

He said: The purpose of the bill is to amend the act respecting meat and canned foods in order to make the compulsory grading and marketing provisions applicable to canned lobster. As the act stands, it does not provide for the compulsory inspection of canned lobster.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

FREE PASSES ON RAILWAYS

Mr. CHURCH:

How many free passes of all kinds were issued on the railways of Canada for the last year of record?

Mr. HOWE: The provisions governing reduced rates and free transportation are contained in sections 345, 346 and 347 of the Railway Act. The number of passes issued by the railways of Canada for any year is not of record in the Department of Transport. Returns are made by the railways to the board of transport commissioners, which does not make any public report concerning free transportation, and has ruled that returns made by the railway companies to the board are held to be privileged and not open to public inspection. The present request was referred to the board by the department, and it has been ascertained that the board is still of like view and does not consider that information such as presently requested should be furnished.

GOVERNMENT POLICY RESPECTING MANUFACTURE AND SALE OF LIQUOR

Mr. NICHOLSON:

1. Did a deputation of representative church leaders wait on a committee of the dominion cabinet with a view to restricting the sale of liquor in Canada during the war period?

2. What did the deputation suggest?

3. Has the government adopted any change of policy in connection with the manufacture and sale of liquor under the War Measures Act?

Mr. GARDINER:

1. Yes.

2. (1) That sale of alcoholic beverages in taverns, beer-rooms, wine shops, etc., be discontinued and that sale of such beverages be confined entirely to government-owned liquor stores.

(2) That sale from government liquor stores be permitted only between the hours of three o'clock in the afternoon and eight o'clock in the evening and on week-days only.

(3) That all advertising of liquor in Canada be forbidden except in the place of sale.

(4) That when the request in item 1 is implemented an order issue from the Department of Defence closing all wet canteens in military establishments.

3. No.

[Mr. Michaud.]

CANADIAN NATIONAL RAILWAYS—OUTSTANDING DEBENTURES

Mr. NICHOLSON:

1. What was the total amount of outstanding debentures assumed by the Canadian National Railways in 1922?

2. What amount of interest has been paid on the above debentures between 1922 and the end of the last fiscal year?

Mr. HOWE:

1. First published statement for consolidated system is that for the year 1923, which shows total funded debt held by public to be $823,099,056.

2. Annual interest charge for 1923 on said debt was $35,412,449.

Since 1923 some of these securities have been retired in full or in part, and replaced by other issues. Variation in annual interest charges could only be determined approximately, and the railway management suggest that if annual interest is assumed to be that for the year 1923, total interest during period 1923-40, both years inclusive, on debt of railway system at the time of consolidation has been $637,424,082.

EXEMPTION OF FARMERS' SONS FROM MILITARY SERVICE

Mr. LaCROIX (Quebec-Montmorency):

Does the Department of National Defence intend to pass regulations exempting from military service farmers' sons needed for agriculture?

Mr. RALSTON: It is assumed that the question refers to military training. As announced by the Prime Minister, in principle there will be no exemptions, particularly in view of the limited age groups affected; but I may say that consideration is being given by the departments of National War Services and National Defence to the feasibility of postponements where necessary to meet the requirements of essential seasonal occupations.

YORKTON, SASK., AIRPORT

Mr. COLDWELL:

1. Was the gravelling of the airport at Yorkton, Saskatchewan, done by the government or by contract?

2. If by contract, who was the contractor, and was the said contract on the basis of cost-plus?

3. How many men were employed, what were their names and addresses and what amounts were paid to each?

Mr. HOWE:

1. By contract.

2. Contract awarded to Carter-Halls-Aldinger Company, Limited, 4th floor, Royal Bank Building, Winnipeg, Manitoba, on the basis of unit prices.

3. No information.

FIXING OF MINIMUM PRICE FOR BUTTER FOR SUMMER SEASON

Mr. LaCROIX (Quebec-Montmorency):

Is it the intention of the government to fix a minimum price for butter during the summer season?

Mr. GARDINER: The dairy products board has been given power to set a minimum price for butter.

"AIR MAIL GIVES WINGS TO BUSINESS"

Mr. DESMOND:

1. Did the government publish a pamphlet entitled "Air Mail Gives Wings to Business"?
2. If so, how many copies were printed?
3. What was the cost of publishing this pamphlet?
4. What was the cost of distributing this pamphlet?

Mr. MULOCK:

1. Yes, printed in 1939—distributed by the Post Office Department in connection with air mail publicity campaign.

2. 50,000.

3. Approximately $2,000.

4. Distributed with other necessary official instructions and departmental releases at no extra cost.

TAX CREDITS TO INCREASE SUPPLY OF FOREIGN EXCHANGE

Mr. DESMOND:

1. How many (a) individuals, (b) partnerships, (c) corporations, have applied for assistance by way of special tax credits and/or special allowances for depreciation or depletion under the Income War Tax Act and/or the Excess Profits Tax Act?
2. What are the names of each such individual, partnership or corporation who have so applied?
3. What is the nature of the business carried on by each such individual, partnership or corporation?
4. How many of such applications have been granted?
5. What is the nature of the tax credit relief or other concession which has been granted to each such individual, partnership or corporation?
6. What is the estimate of the amount by which Canada's supply of foreign exchange will be increased as a result of each such grant of assistance or concession?

Mr. ILSLEY: I understand that the hon. member is willing to have the question amended so that instead of "Income War Tax Act and/or the Excess Profits Tax Act" the words "War Exchange Conservation Act" will be substituted. If that is so, I will have the question answered accordingly. In the meantime I ask that it stand.

Mr. SPEAKER: Question stands.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MOOSE JAW, SASK., AIRFIELDS AND TRAINING FACILITIES

Mr. PERLEY:

1. Does the British government (a) own or (b) operate airfields or other training facilities at or near the city of Moose Jaw, Saskatchewan?
2. If so, from whom were the same acquired or purchased, and what are the particulars as to price?
3. Who had the contract (a) to prepare the ground, (b) to erect the buildings?
4. What prices were paid to the contractors for such work?

Mr. POWER: Return tabled.

GOVERNMENT CONTRACTS—COST-PLUS AND MANAGEMENT-FEE PLAN

Mr. HANSON (York-Sunbury):

1. How many cost-plus contracts have been awarded by the government since September 1, 1939?
2. To what persons, firms or corporations were such contracts awarded?
3. What is the estimated cost of each such contract completed?
4. How many of such contracts have been revised?
5. What contracts have been so revised?
6. What is the nature of the revision in each case?
7. How many contracts have been awarded by the government on the management-fee plan since September 1, 1939?
8. To what persons, firms, or corporations were contracts of this type awarded?
9. What is the estimated cost of each such contract completed?
10. What is the fee provided for in each such contract?
11. In what management-fee contracts, if any, has provision been made for a reduction of fee in the event of the ultimate cost exceeding the estimated cost?
12. In what management-fee contracts, if any, has provision been made for an increase of fee in the event of the ultimate cost being less than the estimated cost?

JOHN INGLIS COMPANY

Mr. CARDIFF:

For a copy of all contracts entered into between his majesty's government in Canada and the John Inglis Company of Toronto since September 1, 1939, together with copies of all correspondence, telegrams, memoranda and/or other documents and papers relating thereto.

Mr. HANSON (York-Sunbury): Since this notice was placed on the order paper the minister was good enough yesterday to table copies of contracts entered into between the government and the Inglis company. If, as I assume, they cover all the contracts, this notice might be dropped.

Motion dropped.

PENSION ACT

APPLICATION TO CERTAIN MEMBERS OF CANADIAN AND UNITED KINGDOM FORCES

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health) moved that the house go into committee at the next sitting to consider the following resolution:

Resolved, that it is expedient to amend the Pension Act to make its provisions applicable to certain members of the Canadian forces serving in the present war and in future wars and to their dependents, to extend the benefits of the act to certain persons serving in the forces of the United Kingdom and also to make further changes and adjustments in the procedure and administration of the Pension Act.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

CITY OF OTTAWA AGREEMENT

AUTHORIZATION OF PAYMENT OF $100,000 FOR THE YEAR ENDING JULY 1, 1941

Hon. C. D. HOWE (for the Minister of Public Works) moved that the house go into committee at the next sitting to consider the following resolution:

Resolved, that it is expedient to introduce a measure to authorize the Minister of Public Works on behalf of his majesty to enter into an agreement to pay to the corporation of the city of Ottawa the sum of $100,000 for the year ending July 1, 1941.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

TRANS-CANADA AIR LINES

EXTENSION OF INITIAL SUBSIDY PERIOD—CHANGING OF FIXATION-OF-RATES PERIOD

Hon. C. D. HOWE (for the Minister of Transport) moved that the house go into committee at the next sitting to consider the following resolution:

Resolved, that it is expedient to amend the Trans-Canada Air Lines Act, 1937, changing the period for the fixation of rates for the current year, as defined in the act, and extending the initial period during which a subsidy may be payable to Trans-Canada Air Lines.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the consideration of the house.

Motion agreed to.

[Mr. R. B. Hanson.]

PRAIRIE FARM REHABILITATION

CONTRACT WITH NORTHERN WOOD PRESERVERS LIMITED FOR PURCHASE OF POSTS

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Before the orders of the day are proceeded with may I ask the Minister of Agriculture (Mr. Gardiner) to lay on the table copy of order in council No. 223 dated January 31, 1939, and copy of contract made by his department with Northern Wood Preservers Limited, of approximately the same date, respecting the purchase of posts referred to in the report of the auditor general for the year ended March 31, 1940, pages 61-2, and entered into under the provisions of the Prairie Farm Rehabilitation Act and amendments.

Hon. J. G. GARDINER (Minister of Agriculture): I shall be pleased of course to have placed on the table a copy of both the order in council and the contract. In view of remarks made on the other side of the house and discussion in the press, I should like to call the attention of hon. members of the house to that contract. I think when it is read it will be found that the statements made in the report of the auditor general are not justified in the light of the terms of the contract.

Mr. HANSON (York-Sunbury): Should we not wait and see?

Mr. GARDINER: Of course I am not going to criticize anyone who has made remarks based on the statement of the auditor general, but as the session goes along I expect we shall have ample opportunity of discussing the actual facts in relation to the contract itself.

"TOOLS FOR TREACHERY"

REPLY TO QUESTION WITH REFERENCE TO ARTICLE BY COMMISSIONER OF ROYAL CANADIAN MOUNTED POLICE

On the orders of the day:

Right Hon. ERNEST LAPOINTE (Minister of Justice): My friend the hon. member for Rosetown-Biggar (Mr. Coldwell) asked me a question the other day with regard to an article published in the *Canadian Spokesman* of February, 1941, entitled "Tools for Treachery," by Commissioner S. T. Wood, of the Royal Canadian Mounted Police.

I have since read the article, and incidentally it has given me the opportunity of reading another article in the same publication, by my hon. friend, which is very interesting.

The article to which my hon. friend calls attention clearly represents conditions as they exist in Canada, according to the practical experience of the Royal Canadian Mounted Police. Of course the few words quoted by the hon. member must be read in conjunction with the context and the rest of the article. The commissioner never intended to say anything that would reflect on the rights and duties of members of parliament, and he would be sorry indeed if such interpretation has been given to his words. Indeed he had rather in mind certain statements made by members of some provincial legislatures.

So far as my own views are concerned—my hon. friend has asked me to state them—I fully recognize and will always uphold and defend the rights and duties of parliament to comment upon, criticize, and recommend and enact changes in the defence of Canada regulations and the carrying out of such regulations. Indeed my very difficult task in that regard has been made easier by the useful and effective work of the parliamentary committee which sat last session, and whose recommendations have been accepted and made effective.

However, I must say that when a parliamentarian states at public meetings that members of trade unions have been interned because they were trade unionists, or that freedom of religion no longer exists in Canada because certain sects carrying out subversive and disloyal activities under the guise of religious creeds have been made unlawful, this certainly does not help our work, and we have the right so to express ourselves.

Mr. M. J. COLDWELL (Rosetown-Biggar): As one of those who has from time to time criticized the regulations made, I ask the Minister of Justice if he would be good enough to name the parliamentarians to whom he refers, because I do not think we should all be under suspicion of having made statements that were not warranted.

Mr. LAPOINTE (Quebec East): I think this will come at the right time.

Mr. CHURCH: Commissioner Wood is doing his duty and doing it well.

POSTAL SERVICE

REPLY TO COMPLAINT RESPECTING MAIL DELIVERIES IN TORONTO BUSINESS AND RESIDENTIAL AREAS

On the orders of the day:

Hon. W. P. MULOCK (Postmaster General): In regard to the question asked by the hon. member for Broadview (Mr. Church) on Monday, February 17, complaining about the inadequacy of mail service in some of the residential districts in Toronto, I advised him at that time that I would have inquiry made. The facts I find are as follows:

1. No general complaints have been received either at the department in Ottawa or by the district director of postal services at Toronto in regard to late delivery of mails.

2. At the postal terminal in Toronto, if trains are on time the letter carriers leave every morning at 8 o'clock without fail on the first delivery. In some parts of the city five deliveries a day are given, in other parts three deliveries a day, and in residential districts two deliveries a day, one in the morning and one in the afternoon.

3. The night train from Montreal carries the mail from the east. This is the main train in so far as early morning delivery is concerned, and it has frequently been late during the present winter. On some occasions it has been late two or three times a week.

4. As the delivery of this mail in Toronto is very important the letter carriers at the postal stations are held until this mail arrives, unless the train is too late, but if it is not available by 8.30 a.m. they leave on their distribution.

5. To expedite the delivery when the Montreal train is late, post office trucks meet the train at Danforth station, the mail having been already sorted into postal station areas by city sorters placed on the train for that purpose. These trucks take it direct to the respective postal stations, where the letter carriers are waiting to deliver it.

Letter carrier work is based on a forty-four hour week. In the residential districts there are two deliveries a day. Whenever the train is on time letter carriers commence their morning delivery at 8 o'clock and complete their delivery at about 11 o'clock. When the trains are late the times of delivery are correspondingly retarded.

7. Deliveries in Toronto have been impeded this winter on account of the slippery and icy conditions of the roads and sidewalks.

Mr. CHURCH: I have received more complaints this morning on the same subject. There should be an improvement made.

Mr. MULOCK: I am sorry; I did not hear what the hon. member said.

DOMINION-PROVINCIAL CONFERENCE

STATISTICS OF PUBLIC FINANCE AND NATIONAL INCOME BROUGHT UP TO DATE

On the orders of the day:

Hon. J. L. ILSLEY (Minister of Finance): On Monday last the hon. leader of the opposition (Mr. Hanson) requested the Prime Minister (Mr. Mackenzie King) to table the statistics prepared for the dominion-provincial conference, in order to bring the statistical computations of the Sirois report, so-called, up to date.

I now wish to table these statistics, which are in the form of two documents:

1. Comparative statistics of public finance, 1936-40, and
2. National income, 1937-40.

In tabling these documents I wish to make two comments by way of explanation to the house of their content and character.

In the first place, later and more complete information than was available to the commission itself made it possible for the secretariat of the commission to recalculate and refine the estimates of taxable regional income, net income derived from mining, smelting and refining of ores and oils, which was the basis of the proposed mining tax rebate to the provinces, relief costs in total and for unemployables, cost of tax collections and the residual transfers known as national adjustment grants.

I want to make it clear that this material has been prepared by the secretariat on the basis of the most complete information available to them, but it was our intention to submit it to the finance committee of the conference for close examination and criticism, and until such an examination was possible the government could not consider that the national adjustment grants as set forth were final.

In the second place, in the case of those provinces where actual revenues and expenditures were not available for the year 1940 the figures used were budget estimates or forecasts made some months before the close of the fiscal year and supplied by the provinces. In some cases it was apparent that these estimates might be subject to considerable modification when the actual results were available after the close of the fiscal year. It was therefore feared that they might be misleading to the public, particularly if used to illustrate the application of plan I to individual provinces.

It was for these reasons that the government hesitated to give this material circulation without the advantage of full discussion and examination which would have been possible in the finance committee.

I may say that copies of the reports that are being tabled to-day are being distributed to hon. members.

NATIONAL DEFENCE TAX

APPLICATION TO WARRANT OFFICERS AND OTHER RANKS

On the orders of the day:

Mr. G. S. WHITE (Hastings-Peterborough): I should like to ask the Minister of National Revenue if it is true that a change has been made in the application of the national defence tax in regard to soldiers; that this tax now applies to warrant officers, non-commissioned officers and privates in the Canadian Army while serving in Canada, and that payment of this tax by these other ranks has been retroactive to July 1, 1940.

Hon. C. W. G. GIBSON (Minister of National Revenue): There has been no change in the provisions of the national defence tax.

Mr. WHITE: Am I right in assuming, then, that this tax does not apply to warrant officers, non-commissioned officers and privates in the Canadian Army while serving in Canada?

Mr. GIBSON: That is correct, as far as our active forces are concerned.

CONSCIENTIOUS OBJECTORS

On the orders of the day:

Mr. T. L. CHURCH (Broadview): I should like to ask the government what it is going to do in this, the eighteenth month of the war, with regard to conscientious objectors. Some action should be taken in this regard. In the United States these people are interned, and surely something should be done here. Why should some serve while others do nothing?

Hon. J. G. GARDINER (Minister of National War Services): In the regulations having to do with the calling up of men provision is made for dealing with conscientious objectors, and so far as I know those regulations are being followed.

Mr. CHURCH: I suppose they can serve in the rags, bones and bottles campaign.

WAR APPROPRIATION BILL

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

The house resumed from Tuesday, February 18, consideration of the motion of Mr. Ilsley that the house go into committee to consider the following resolution:

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

1. That sums not exceeding $1,300,000,000 be granted to His Majesty towards defraying any expenses or making any advances or loans that may be incurred or granted by or under the authority of the governor in council during the year ending March 31, 1942, for—

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

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

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

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

2. That the governor in council be empowered to raise by way of loan under the provisions of the Consolidated Revenue and Audit Act, 1931, such sum or sums of money, not exceeding in the whole the sum of $1,300,000,000 as may be required for the purpose of defraying such expenses or making such advances or loans, the principal and interest of any such loan to be a charge upon and payable out of the consolidated revenue fund.

3. That the governor in council be empowered to reexpend, advance or loan moneys that may be received by way of refund or repayment of advances, loans or expenditures under the War Appropriations Acts of 1939 (2nd session), 1940 and 1941.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, those of the membership of this house who followed closely the address of the Minister of Finance (Mr. Ilsley) yesterday on his motion that you do now leave the chair in order that the house go into committee to consider the financial resolution which he read into the record, and the Canadian people, having through the medium of the press and of the radio read and heard the substance of his remarks, will, I hope, have an intelligent appreciation of what this government is asking the people of this country to do in its war effort, measured strictly in terms of dollars and cents.

I confess at once, sir, that I was prepared for astronomical figures. I had heard of expenditures of more than a thousand million dollars, and of substantial sums to be spent in repatriation operations, but I had not visualized so huge a sum as $1,700 million. When we add $433 million for our peacetime activities, we are astonished to find that we have reached a total of $2,133 million.

But that is not the whole story. On top of this huge figure we are to be asked for, and undoubtedly will provide, $175 million to be voted before the end of the fiscal year to take care of a probable deficit under the War Appropriation Act of 1940, to which the minister alluded, which will make a total of over $2,300 million. If we add to this the additional moneys which will be required to finance and to be tied up in financing wheat operations, which for 1940 amount to $100 million of liability principally in the form of credits by the Canadian banks, I assume guaranteed by the government of this country, and which for the coming year may run to $100 million more—no one knows as yet because the policy of the government has not been announced—we have a grand total of over $2,400 million which this government will have to raise directly from the Canadian people and financial institutions, by way of either taxation or borrowing. Then on top of that if we add the probable sum of $575 million which the same people, the same set of taxpayers, will have to raise to finance the probable expenditures of provincial and municipal governments, we shall have reached the enormous figure of approximately $3,000 million to be provided by the Canadian people—a figure calculated to stagger the stoutest heart among us.

Stated in terms of per capita population—and I am stressing this because I want the people of Canada to understand and visualize as far as possible just what this obligation is to be—on the basis of a probable population of twelve million people it means a total expenditure of $250 per head for every man, woman and child in this dominion. When we realize that at least half of our population will be able to contribute little, if anything, in this superhuman effort, it will be seen at once that the per capita contribution of those able to pay will be more than doubled. The minister's statement and these figures give us food for the most anxious and constant reflection.

I have stated on many occasions that, in my view, the Canadian people will give to this government, or to any government which may be established in Canada, the money to carry on the maximum war effort of which Canada is capable. But the same people will hold this government, or any government, strictly accountable and responsible for the method and the manner in which the government expends this money, and for the character of its war effort. I repeat that declaration to-day, as I did yesterday.

In giving consideration to this huge war-time proposal—I shall not call it a budget—it is well, I think, that we should pause and investigate how the government and the minister propose to meet the terrific cost of the programme of expenditure which he has outlined.

Briefly, there are only three methods open to him:

1. Reduction in non-defence expenditures—and I put this in the very forefront.

2. Increased taxation—and there is a limit in this sphere which may not be exceeded.

3. Borrowing.

It is assumed that inflation in any form is definitely barred, notwithstanding what some people may have said recently, and to that decision I am not, at the moment at least, taking any exception. Inflation as a means of financing this enormous programme at this time would, in my opinion, be a false move. Later on, when other sources have dried up, we may have to come to a measure of inflation, but we have not yet reached that point.

It is manifest, I think, that the attack on the problem must come from all three angles; and, without question, one of the first things to be done is the paring down to the bare bone, if possible, of all non-defence or peace-time spending, all along the line.

The minister has estimated that the national income for 1940-41 will be $5,300 million. I have always been somewhat doubtful about the calculations upon which our national income has been based. In my view, any calculation of true national income must not take into account income derived directly from war expenditures, which are based on borrowing; but if I can have an authoritative assurance that the estimate of $5,300 million of national income eliminates the possibility of including any national income from our war expenditures based on borrowing, then I shall be content to accept that figure.

I am doubtful, also, if the national income will be as great as suggested because, in a country which is unable to sell its major peace-time production, namely, its wheat and other cereal crops and general farm production, there must naturally be a substantial shrinkage in the amount of new wealth that is available to be included in national income. In the case of Canada, I suggest that this cannot be far short of $500 million. However, I have no means of accurately checking the estimate the minister has given. I hope he is right. If he is, it will ease somewhat the burden.

As I said a moment ago, the attack upon the problem of financing our war effort must be approached from three different angles. One of the first things to be done must be the strictest paring down of peace-time expenditures wherever possible. This will serve the three-fold purpose of reducing the size of the deficit to be financed by the government, diminishing the competition of government with private spending, and lessening the danger of inflation.

Turning first to peace-time spending, I am sure there will be great disappointment in this country that the estimates for the fiscal year ending March 31, 1942, tabled on Monday last, show a very small reduction in the total of ordinary peace-time costs of government. On paper, the total reduction as compared with the expenditures for the fiscal year ending March 31, 1941, is $18,119,000. Of this figure, however, $15,000,000 is represented by the fact that no provision is required for the deficit of the Canadian National Railways.

The government should not and cannot take credit for the fact that there is unlikely to be any deficit on the operations of the Canadian National Railways during the coming fiscal year. The improved operations of the system are accounted for, for the most part, if not altogether, by the increased volume of war transportation and not by any increase in the normal volume of peace-time activities. This is well illustrated by the fact that the volume of wheat moved is really less than normal.

Mr. Speaker, it may be news to the members of this house, and perhaps it will be news to the people of Canada, as it was to me, that last year, notwithstanding the great improvement in traffic, the cash deficit of the Canadian National system is estimated at $16,965,000, or nearly $2,000,000 more than the minister anticipated when he brought down his budget. I say to him that I believe an immediate and full explanation is due to the people of Canada.

The net result of the reductions in the estimates is, therefore, a saving of only $3,381,000; and, most emphatically, I say that is not good enough. There should have been a further sum pared from the estimates. I know some of the difficulties that have to be encountered. But these must be met, if we are to raise these huge sums for war purposes. In due course they will be met. One of the dismaying features is the fact that there are new expenditures of a new kind and character, but which are recurring in their nature, such as unemployment insurance, which, in the eyes of the government at least, have prevented a further saving. But the Canadian people, notwithstanding this factor, will insist that a saving of only $3,381,000 in peace-time activities is not good enough.

To take an isolated example, why is it necessary to spend a sum in excess of

$2,800,000 in taking the decennial census this year? I am quite aware that, under the provisions of the British North America Act, the government is required to have the census taken. But Canada is at war. The taking of the census is a purely peace-time activity. It can and must be postponed. As a matter of fact, it ought to be postponed without our having to ask for this. The cost of this elaborate counting and compilation of the population is something that is not absolutely necessary; and if we are to ask the Canadian people, as they have been asked by the Prime Minister (Mr. Mackenzie King), by the Minister of Finance (Mr. Ilsley) and by others who have spoken to them in connection with Canada's war effort and lending programme, to tighten their belts, then every honest effort ought to be made to avoid this expenditure, and expenditures of a like character.

I pause to give just one other example of an expenditure which might be saved. After the declaration of war, there was set up by this government a bureau of public information, under the hon. gentleman who was then postmaster general, and who is now Minister of Labour (Mr. McLarty). Later it was transferred to the Ministry of National War Services. I have not been able to obtain figures covering the cost of this service to date. However, a return tabled Monday, indicates that in all departments of government there are eighty-six employees engaged in publicity work—twice the number that flock into that press gallery every day. These gentlemen draw salaries aggregating $164,000, including salaries of $61,000 in the bureau proper. These are, of course, new expenditures, and they are likely to grow. Up to November 30, 1940, the total cost of operation of the bureau of public information alone, apart from the salaries paid by the government departments to those who are not direct employees of the bureau, amounted to $202,000.

I protest against this expenditure. It is an unnecessary waste of public funds. The newspapers of this country will get the news, and it will not be canned news, either. The public is tremendously suspicious of these press releases. Many of them are false. Most of them are propaganda, pure and simple. All of them are unnecessary. Let us have an end of this useless expenditure.

Many of our people in their private lives, if they have not already realized it, will have to realize that they must do without many things they would like to have, or they must defer, to a more convenient season, expenditures which, in normal times, they would make without hesitation. They will save and sacrifice cheerfully if they are convinced that governing bodies are taking the same realistic view of expenditures; and I suggest to this house and to the country that the fact that our peace-time budget has been reduced by only $3,381,000 is not good enough.

Then there are the probable provincial and municipal expenditures, estimated at $575 million. I know this government is not directly responsible for those expenditures, but it has a moral obligation to the people of Canada so far as possible to use its influence to impress upon provincial and municipal governments the fact that they should set an example and cooperate with the federal government in cutting their appropriations, so that it can not be said that over 10 per cent of the national income is to be expended in war time by these administrations.

Considering the exhibition which I witnessed in this very chamber on January 15 last, I am not very hopeful that there will be much cooperation between the provincial governments, or at least some of them, and this government. In all the years I have been in Ottawa I have never seen such an exhibition of national disunity as was shown on that occasion. I shall have something further to say about this at a later time.

This government has not helped the provincial governments very much by cutting off its contribution of 40 per cent of the cost of unemployment relief, although I am bound to say to the Prime Minister and the Minister of Finance that I think that that was inevitable. After the manner in which the Minister of Finance wielded the big stick at the provincial conference, it was sure to come. I am not quarrelling with that decision.

There are few signs up to date to indicate that the provinces are seized of the seriousness of the situation. Let us consider the case of British Columbia. According to information which I have received, the last budget of the government of British Columbia called for a current expenditure of over $33 million, the highest in the history of that province.

I should like to direct particular attention to the situation in New Brunswick, with which I am most familiar. In March, 1940, the present provincial administration announced a budget appropriation of over $10 million, an all-time high. This, for a province with an estimated population of only 450,000 people, works out to $22 per head. Over 40 per cent of this sum is earmarked to pay the service on the provincial debt which, including the funded debt, treasury bills outstanding, bank loans and guaranteed obligations, the service of which the province has had to assume—

less, however, a sinking fund of over $11 million—has reached the net total of just about $100 million. This is the obligation of the little province of New Brunswick. The situation is that New Brunswick, as a result of five years of profligate spending, between 1935 and 1940, now has the doubtful honour among Canadian provinces of having a per capita debt of $216, the highest in the dominion.

There is just one ray of sunshine in this provincial situation. On reading the headlines in the papers this morning, I saw they indicated that the premier of Ontario, who is pictured as the bad boy of the recent conference, is alive to the situation. It is suggested in the press report that probably there will be a reduction of taxation in that province. The signs of an early election there continue to multiply.

With the municipalities, the situation is somewhat different. Most of our municipal governments are administered economically. Of course, there are some painfully outstanding exceptions. The burden of unemployment relief, which has not yet entirely disappeared, coupled with the inability to collect tax arrears, has made their position difficult. I have, however, much more faith in their alibity to restrict expenditures than I have in the ability of the provinces to do so.

The second method by which the government can meet war costs is by taxing. In the last war the mistake was made, not only in Canada but in the United States, of postponing too long the introduction of adequate tax measures. As a result, inflation was given a head start. I want to give this government credit for not having repeated that error. Sound policy demands that we meet as much as possible of our war costs as we go along. Our problem, however, is rendered difficult because we must determine how much and in what manner we can tax without defeating our programme.

I should like to emphasize the fact that there are two sides to every tax; one is the income which it yields to the government, and the other, the economic effect. Every tax has an economic effect. If the stream of private spending is cut down too drastically, it may penalize unnecessarily many of our non-war industries and throw people out of work, so that instead of more revenue being obtained, there may be greater relief accounts to pay.

We have in Canada very substantial savings accounts in the chartered banks and other financial institutions; but if we cut into the savings area too deeply, business and individuals will be unable to take risks because they will have nothing with which to absorb losses. Not only will this mean the restriction of private initiative in industrial lines, but it may mean holding back the expansion of other industries which are called upon to take substantial risks in our war programme. In giving thought to his budget proposals I hope the Minister of Finance will bear in mind that if he is considering proposals for higher taxes, we have had, within the past eighteen months, two major increases in dominion taxes, and they have been raised already to extremely high figures.

The remaining method by which our war costs must be met is by borrowing. I think it is inevitable, and I think the time is rapidly arriving, when we shall have to go outside Canada to borrow. Perhaps it will not be necessary to do it this year, but it will have to be done shortly. The point I desire to make, however, is that an increasingly large proportion of government securities which are sold should be lodged with individuals and savings and financial institutions, and not sold to our commercial banks. I am sure the minister is seized of the necessity of that. I am informed that already the chartered banks of Canada hold huge amounts of government treasury bills awaiting refunding when the new war loan is launched in June or July, and that this sum is likely to be increased greatly before that date. Every time a bank subscribes to a government loan, additional deposits are created, and that increases the total volume of purchasing power available. It is from this multiplication of purchasing power that the danger of inflation chiefly arises.

If government bonds can be sold to individuals and institutional investors and paid for out of earnings and savings, the danger of inflation will be greatly reduced. I am glad to give credit to the minister in connection with the present campaign for the sale of war savings certificates for having made every effort to reach the smallest individual investor. It is only by following this method that the bonds to be issued in June or July can reach the hands of the individual investor. The whole nation must be summoned to the work of selling the next war loan, just as it has been summoned to the work of selling war savings certificates at the present time. I know hon. gentlemen on this side of the house, as well as those who sit on the other side, have been glad to extend the offer of their assistance to this effort. I have not been able to do as much as I should have liked to do, but my place in my constituency has been taken by my former partner. He has devoted practically his whole time to this important national service.

There are people in Canada who will take exception to the astronomical proportions of

the minister's proposals. I want to make it abundantly clear that I never have taken and am not taking that position. Before his announcement was made, I had received letters stating that in our war effort we must not bankrupt Canada. But, compatible with ascertaining our ability to pay, I should say that the criticism I have to offer is that Canada's war effort, as distinguished from Canada's war spending, does not represent an all-out effort on the part of the Canadian government and on the part of the Canadian people, especially as compared with that of the mother country.

How does our financial effort compare with the magnificent effort of the people of Great Britain? On the sixth of February, Sir Kingsley Wood, Chancellor of the Exchequer, disclosed in the British House of Commons that Britain's war effort is costing £10,500,000, or approximately $42 million, a day. The population of Great Britain is approximately 47 million people, and that of Canada approximately 12 million people. Canada's population, therefore, is approximately one-quarter that of Great Britain, and if our effort is to be comparable with or proportionate to that of Great Britain, we should be spending approximately $10 million a day.

It is apparent, I think, that in a new country like Canada, where there is not nearly as much invested or accumulated wealth as there is in Great Britain, where we have always been considered a borrowing country, our effort cannot be comparable with theirs; and, on that basis, I suggest that no one can take great objection to the amount which the Minister of Finance is asking the country to vote. Any valid objection can be based only on the assumption that the war concerns us to a lesser extent than it does Britain; and that proposition I deny. We are as vitally concerned as is bombed Britain. We stand to lose as much. We value our liberty as highly as do our kinsmen overseas; and loss means the end of liberty.

I have taken the view that there should be no dollar sign on our war effort. I know there is a limit to our capacity to pay. I do not attempt to define that limit; but, having regard to the issue at stake, I am sure that whatever is needed within that limitation will be provided by the Canadian people, no matter what the cost or the sacrifice, and out of sacrifice will come victory because, without victory, all our resources are valueless. Therefore we should be prepared to pledge those resources to the limit in order to ensure victory.

But one thing the Canadian people will and do insist upon, and that is that the dollars which they provide, by way of either taxation or loan, shall be utilized in the most efficient possible manner. They will not tolerate extravagance or waste, and every dollar paid in taxation or subscribed to war loans must mean a dollar for Britain's effort in the immediate theatre of war and for the defence of Canada—not fifty cents for wasteful and extravagant practices. Evidences of wasteful and extravagant expenditures are to be found on every hand.

I now serve notice on the government that the opposition will scrutinize with the utmost care, if given the opportunity, which I now demand, the expenditure of every dollar —will cheer them on when they discover that it is for the aid of Britain and for the defence of this country, and will criticize and fight against useless expenditure.

I hope that the committee on national expenditure, when set up, will examine and criticize all expenditures for war purposes, past, present and future, and award praise or blame, as the case may be. But the government must not evade or seek to evade responsibility because of the existence of this committee, and the powers of the committee must not be limited to reporting on methods of controlling expenditure. The committee must have power to report on expenditures already made, and the responsibility of refusing to go that far in the order of reference will be upon the government, and upon the government alone.

There is grave uneasiness in Canada with respect to Canada's war effort. It is recognized that Canadian war production has progressed well in many respects, but in many notable instances it is bogging down. We began in June last a system of hasty improvisation, which has developed into an uncoordinated mushroom growth, which leads many people to believe that Canada's war effort in production, upon which the most of the expenditure contemplated by the minister will be made, is haphazard and without a master plan, either as a whole or for war supplies in particular.

May I call the attention of hon. members to this situation? Recently the Right Hon. Arthur B. Purvis went to England on behalf of the British government, which he represents so ably in the United States, in connection with the mobilization of United States industry for supplies and production for British war purposes. He reported that his visit to England was made to get from the British authorities "a consolidated schedule of estimated British war needs" based upon a plan for victory. On his return, armed with, I believe, the information which he sought, he was able to lay before Mr. Knudsen, the very able and capable head of United States

production activities, what he termed "a brief but pregnant document", setting forth every form of military and naval material Britain will require from the United States to get ready for the 1942 offensive that is planned to win the war.

I ask this searching question: Did the Minister of Munitions and Supply (Mr. Howe), who recently visited England and whom we are all glad to see back safe and sound, bring back a similar schedule for Canada? Is there any evidence that he did so? If so, it has been conveniently kept in the dark.

Mr. HOWE: We work from the same list.

Mr. HANSON (York-Sunbury): If he did not—or even if he did—has Canada drafted any set schedule on its own account? I suggest to this house and to the country that there is abundant evidence that there has not been drafted any such master plan.

Have we in any degree endeavoured to coordinate our efforts with the plan brought back by Mr. Purvis to Washington? Our Minister of Munitions and Supply makes periodical trips to Washington; but, so far as I am aware, he has no first-class executive in Washington in close touch with Mr. Purvis or Mr. Knudsen, ensuring the complete coordination of our programme with their programmes. It is true we have a legation there and a minister, but at the moment he is unfortunately indisposed through illness, as the Prime Minister told us on Monday. Who is representing Canada at this time in Washington—and especially with regard to coordination in production?

Mr. HOWE: J. P. Carswell.

Mr. HANSON (York-Sunbury): Well, I know Mr. Carswell very well—or at least I used to know him; I have not seen him for a long time. I am glad to have the minister's statement in that regard; I had not heard it before; if Mr. Carswell is of the right calibre, then the minister has done the right thing, and I tell him so now.

It seems to me, however, that the greatest sin of omission on the part of this government is that it has neither a master plan for war nor a master schedule for war production. The Minister of Munitions and Supply is a capable man but he has no time or opportunity to think or to plan. In his anxiety to fulfil his conception of his responsibilities, in the operation of government, as we have it presently in Canada, and as the chief of war production, I am told he does not give any of his lieutenants authority over more than one isolated phase of the work at one time. It would appear to me that he is so confident of his ability that he carries on a dozen different jobs at one time and even retains the control of the Trans-Canada Airways and other unrelated activities. Someone has described his major job as a 30-ring circus, and he insists on running several side-shows.

Recently there was set up a war-time requirements board, headed by one of the biggest industrialists in the Dominion of Canada. The board was established, if I understand the situation, to plan the most productive and direct use for war purposes of available supplies of materials, power, manufacturing plant and transportation facilities, in order to ensure that war needs, in the order of their importance, shall have priority over all other needs.

Please note the words "to plan" and "direct". Well, the air around Ottawa, and the newspapers of Canada, have been full of rumours and stories and statements and repercussions, and I think there is a good deal of evidence that the chairman of that board did some planning and tried to do some directing—but with what result? The chairman went away to his home in Vancouver recently and, I am told, left on his desk a statement in which he said, in effect, that he would be back in Ottawa if Ottawa had a job it wanted him to do.

This is a very important statement. It is apparent, I think, to those who know the story, that the minister evidently did not want the war-time requirements board to plan or direct war production operations.

I remember reading the order in council which set up that board and the authority given to the board, and I concluded that a correct interpretation of the power simply meant that it was merely an advisory board and that it had no real power; and I believe I am right in that interpretation. The chairman of the board himself, I believe, was seized of the lack of authority, but he was of opinion that when he required authority he would get it. The result would appear to be that he has been refused, and that, while he had the power to plan, he had no power to direct. Take, for instance, certain lagging phases of war production, such as Federal Aircraft. It is reported to me that when Mr. MacMillan set out to create the machinery needed to give war production the right of way, he found himself blocked. The fact is that his powers were advisory only—sweeping, it may be said, so long as he did not try to get action on his own initiative.

That is the sort of thing which is discouraging to Canadians anxious to get ahead with the total effort demanded by the country and visualized by the Prime Minister in his recent broadcasts. We have been deluged in days gone by with promises of what is to be

done—splendid objectives on paper, but apparently there is no way to ensure that they will be attained in practice. Take any of the more important items. Naval guns were to be made—the biggest in the British empire. I understand that the programme is now limited to barrels for naval guns.

Mr. HOWE: Neither is true. If I may correct my hon. friend—I wish him to be correct—I said that we had the largest gun plant in the empire, not the largest guns.

Mr. HANSON (York-Sunbury): If it is idle, that is not much to boast about.

Mr. HOWE: The naval guns are complete guns.

Mr. HANSON (York-Sunbury): I said I had been told. I read it in the public press. I do not know whether this high-powered board down here in the Department of National War Services slipped again. They did once with regard to this very matter. Take any of the more important items—naval guns, aircraft production, tank production. We were promised all these things, but the results have been most discouraging.

There are several things that are needed in order that we may have a total effort. Right in the very forefront I put the need of a master war plan; and to draft a master war plan we need a war cabinet, composed of the best men in the country, freed from the confining detail of departmental administration and departmental duties.

Recently in a public address I advocated that the immediate duty of the hour is to strengthen the government. I repeat that assertion. There is weakness in the high political command. It is recognized everywhere. If it is to continue on the party basis, it must be strengthened on that basis, but it should be strengthened regardless of party affiliation; and this, because of the need of greater national morale, and the gigantic task at hand.

The fact is that, until quite recently at least, the war and its responsibilities were not taken seriously enough by the government. Canada should have a war cabinet, adequate in size for war purposes, composed of the ablest administrators available, and with no partisan tinge. It seems to me that this is elementary, and nothing else should be tolerated.

There are those who believe that the war effort of the government, being of such a mushroom growth, has reached a state of, shall I say, chaos, and that the record of the past eighteen months stands at an all-time high in futility. With the possible exception of the production of motor units and that sort of equipment, everything has gone wrong except the courage and capacity of our fighting forces, and the willingness of labour and industry to work and produce, if properly directed.

From the very beginning the present state of war production was inevitable. When war threatened, the government did nothing to prepare for war, although it knew that Canada was defenceless. When war came, the government did nothing to ensure the rapid and effective mobilization of the nation. The government embarked upon a policy of minimum, at least moderate, participation and not maximum cooperation. The measure of this country's contribution was governed by political expediency. To-day we are reaping the harvest of the government's default. The situation is so bad that the people are now aroused to it, and relentless criticism of the government is nationwide.

In peace time, it would be the right and opportunity of the opposition to take advantage of the failure of the government to serve the nation according to its needs, but in this time of war we dare not permit the government of Canada to be discredited. England is looking to Canada for help. The United States is looking to Canada to see what is the measure of our effort; and we must close our ranks. We must present a united front. We must lay friendly hands upon this government and help it forward. The interest of the nation and of the empire puts that obligation upon all good Canadians.

Therefore his majesty's loyal opposition, speaking through myself as a humble instrument, declares that its present purpose is not to indict the government for past failures but to help the government to present and future achievements. Pursuant to that purpose, I as leader of the opposition in this House of Commons recently rededicated this party to the service of the state, and I now come again to the government and say, "What can we do to help?"

I have already indicated my belief that the immediate duty of the hour is to strengthen the government, and that Canada should have a war cabinet adequate for war purposes and without any partisan tinge. No appeal to the nation for concerted action looking to victory will bring a full national response until the nation sees that the Prime Minister's solemn renunciation of partisanship in time of war—made not once only—has become a matter of deeds and not mere words. It is true that on more than one occasion he has renounced partisanship. He has said it must not be. But he does not make his followers realize that until they also renounce partisanship his renunciation is valueless. And, there-

fore, we should have an announcement from the Prime Minister of the accomplishment of such renunciation. That should be coupled with an announcement that his cabinet is to be reorganized and strengthened with men especially qualified to serve the national interest with all their hearts and with all their vigour.

I believe that the people of Canada would be delighted and greatly encouraged if the Prime Minister would say to-day: "At this time of crisis, the Liberal government renounces the principle of partisan government. Pursuant to that principle, we now intend to form a government composed of the best men Canada can supply. Party considerations shall be forgotten. We will bring these men from agriculture, from industry, from labour, from finance. This government will guarantee unity even as it will guarantee efficiency; for in it there shall be leaders of every class and section of the nation. It will be the new model for effective democratic leadership in time of war."

In the name of Canada's duty to the empire, in the name of Canada's efficient conduct of the war, I urge the Prime Minister, in this hour of the empire's need, to make this announcement to the Canadian people. In the name of the freedom of the individual and of those institutions which freedom has given us, I urge this policy upon the Prime Minister.

The War Measures Act and the National Resources Mobilization Act are now the law of Canada. Those acts, in the hands of party government, are bound to grow into instruments of dictatorship unless they are controlled by a really non-partisan government. If, with the aid of the War Measures Act and the National Resources Mobilization Act, the government should seek to build a fortress for the Liberal party, I warn them that they will in fact be building a prison house for all the rights and privileges of the Canadian people; they will be setting the stage for fascism.

Let the Prime Minister look well into the English-speaking world and tell this house the reason why he should not do as other empire governments have done. It cannot be because the Prime Minister believes himself to be endowed with greater wisdom than that of a Churchill or of a Roosevelt or of a Menzies. It cannot be because the Prime Minister thinks that his government's conduct of the war is more effective than that of the other governments to which I have referred. How do we compare with Australia? The question answers itself. It cannot be that the Prime Minister thinks that such a course will harm the prestige and power of the Liberal party.

[Mr. R. B. Hanson.]

Mr. MACKENZIE KING: My hon. friend asked about a comparison with Australia. Will he tell us what comparison he wishes to make?

Mr. HANSON (York-Sunbury): It is a rhetorical question; the Prime Minister can answer later if he wants to. The fact is that Australia is on the field of battle, and Canada is not.

Mr. MACKENZIE KING: I deny that absolutely. Canada is very much on the field of battle.

Mr. HANSON (York-Sunbury): Tell that to the marines! The people of Canada know that we are not in Libya. We have a few airmen in England; we have men in training in England.

Mr. LAPOINTE (Quebec East): No politics.

Mr. HANSON (York-Sunbury): It cannot be that the Prime Minister fears that such a government might drive the war effort of Canada beyond the limit fixed by the Liberal party.

If the Prime Minister will not do this, then I prophesy that it will not be long before he will bitterly regret his rejection of an honest appeal made by me in the name, as I believe, not only of more than a million Conservative voters in Canada but of every Liberal who puts his country before his party; for Liberals know, as well as we do, that this government has failed.

Canadians are slow to anger. We are a patient people; but we are patriots as well. We realize at last that empire democracy needs all that Canada has to give, namely, maximum cooperation upon the highest level of service and of sacrifice. We realize also that Canada is not giving to the empire all she has to give.

In conclusion, Mr. Speaker, I do not threaten the Prime Minister; I appeal to him. In this crisis of civilization Canada must play a mighty part. The hour calls for dominant statesmanship. Let the Prime Minister rise to the need of the hour, and this country will rise also and stand behind him.

Mr. M. J. COLDWELL (Rosetown-Biggar): When the Minister of Finance (Mr. Ilsley) yesterday introduced the resolution now before us I am sure that everyone in the chamber was struck by the stupendous amount requested for his majesty at this time. For a country of between eleven and twelve million people the amount asked is indeed a staggering sum. But staggering though it may be, I am confident that the people of

Canada will realize that in the struggle in which we are now engaged, and which has taken on more definitely than ever before the character of a struggle between the democratic way of life and the totalitarian way of life, the Canadian people are prepared to support the government in raising the amount requested.

Having regard, however, to the enormous size of this vote there are some things that I believe ought to be said by members of this house. The appropriation asked for covers a very wide range:

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

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

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

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

It includes, therefore, efforts beyond those which are usually viewed as war efforts.

Last May we passed an appropriation bill providing for rather more than half the amount now requested, and so far parliament has had no opportunity of inquiring fully into the manner of its expenditure. I do not suggest that we should delay the passage of this resolution or of the bill that will follow. But I insist that it is the duty of this house to exercise more care than we are exercising as to the manner in which such grants to his majesty are disposed of.

Lately I have been looking over a very interesting and authoritative work on parliamentary grants. I have it beside me here—"Parliamentary Grants," by Durell. I wish more hon. members would read this book. At page 3 Durell states:

It is one of the old standing principles of our constitution that the House of Commons should control the finances of the country. That is the right, privilege and duty of the house. It has been achieved by means of struggles lasting through centuries. . . . Upon this fundamental principle, laid down at the very outset of English parliamentary history and secured by three hundred years of mingled conflict with the crown and peaceful growth, is grounded the whole law of finance and, consequently, the whole British constitution.

And he goes on to say:

Appropriation alone is, however, of little avail if no provision is made for securing compliance with it. The right of appropriation must be accompanied by the right of parliament to satisfy itself as to the expenditure of the money on the services for which it has been voted.

It is true that we have an annual statement of the auditor general laid before this house, but that is only an assurance that the money has been expended for the purposes for which we intended it. We have no assurance that it has been economically expended, or expended in a manner which would serve the maximum public interest.

It will be argued, of course, that at this time to reveal how this money is being spent might give information to the enemy. If that is so the House of Commons might well follow another British precedent and discuss some of these matters in closed session—in camera. During the last war the British public accounts committee—which, as its name denotes, was a public committee—sat at Westminster in camera, in 1916, in order to consider certain of the accounts connected with the war. Our whole parliamentary system is based on that of Britain. Our rules of debate, our procedure, are modelled on British parliamentary practice and British custom and precedents. At the moment, I say, this country and this parliament alike are largely ignorant of what is going on in relation to a large part of our war effort. Rumours are rampant; criticism is rife, and these dampen the ardour of our people for the support and conduct of the war. Some things must remain confidential, but parliament is responsible to the people and the cabinet is responsible to parliament; there should be a closer bond of confidence between the cabinet and the House of Commons at the present time. It is for this house to decide, and this house alone, what financial matters ought to be kept confidential; for none other is the supreme power in deciding what, how, why and when expenditures should be made.

Except when some particular problem has arisen our public accounts committee has seldom met. I read again in Durell that the British public accounts committee exercises great influence over all the departments of government. Here it has exercised no influence, because it has seldom met. How many members of this house know how the appropriation made last May has been spent? I venture to say none except the members of the government, and someone suggests that probably they do not know either. In any event this house has no information of the sort it ought to have regarding these expenditures. Questions placed on the order paper in the early part of this session last November asking for statements with regard to government expenditures, particularly in relation to contracts, brought forth replies that can be summarized in these words: "not in the public interest". It seems to me that if we are to have a war effort that will win the imagination and the support of the vast majority of the people of Canada, and if we are to ask them

to subscribe money to various war loans and to pay heavy taxes, we have an obligation to those people to see that the money is properly spent.

Durell, whom I am going to quote for the last time, states:

> The supreme control of the Commons over public grants, as already mentioned, necessarily demands the complete right of control over the manner in which the grants are spent. This second right must be inseparable from the first if the control over the grants is to be effective, but it is a right which was not claimed nor enforced by the House of Commons until long after the right of control over supply had been established.

Then, in these words he quotes Gladstone, in the British House of Commons:

> It is undoubtedly the business of the House of Commons to be responsible not only for the inception of all public expenditure, but also to follow the money raised by taxation until the last farthing is accounted for.

To achieve this end this house has two methods, the auditor general and the public accounts committee. As I said just now, in Britain the public accounts committee performs that function. In our country the public accounts committee has seldom met. I was glad to learn to-day that the Prime Minister (Mr. Mackenzie King) intends to introduce a motion to appoint a special committee to follow our war expenditures through. That is a step in the right direction. A similar committee, with similar power, was appointed in Great Britain early in the war, some fourteen or fifteen months ago. It was supplementary to the public accounts committee, and has been sitting continuously since that time. We are taking the same step some fourteen or fifteen months after it should have been taken.

It seems to me that in the important particulars to which I have referred we in this house have departed from the elementary right of this house to complete control over expenditures. Let me repeat that information may be and indeed ought to be withheld publicly for military reasons, but I submit that there is no precedent anywhere for withholding from the members of this house the provisions of important government and commercial contracts. Surely that is something new, something we ought not to tolerate lest we lose the only real power we possess over the executive arm of government.

To-day we are discussing the largest appropriation ever requested from this House of Commons. How do we propose to raise that money?—evidently largely by borrowing at rates of interest. Can we allow another war to provide the means for a comparatively small number of people to obtain a permanent lien on the future production of our people?—for that is what the payment of interest over a long term will inevitably mean.

It is true that we are asking the small men to save and to lend. Indeed a considerable amount of compulsion is being exercised in some industries to obtain contributions from the employees. And we should remember that many of those employees have been unemployed for a very considerable period of time. To-day many of the expenditures they are foregoing are expenditures upon necessities in their homes and for their families. I am not objecting to the making of appeals for voluntary aid from all classes of our citizens. I think they should be so made at this time. People who save now are being told that they are providing for the inevitable slump that will follow the war. That, too, is something worth considering.

But let me point this out: At the close of this war those small people will have to cash in on their war bonds, just as they did following the great war in connection with the victory bonds they bought at that time. All these gilt-edged securities we are issuing in large quantities and at a fairly attractive rate of interest will tend to get into the hands of those who have accumulated wealth either prior to or during the war days.

Let me repeat: I am not saying we should not encourage the sale of war bonds to the small investor. I believe we should encourage those sales. I realize that this is important, too, from an entirely different point of view; for we have to transfer productive and skilled labour from luxury industries to war industries. This is one method of achieving that objective. It is an important phase of our war savings campaign. But are we really achieving this? Not altogether, I think. Some people are denying themselves necessities. Others invest in war bonds, but deny themselves nothing. We believe that if we are to raise such huge sums now and in the future we shall have to devise new ways and means of raising at least a large part of the money required. It may be necessary for us to say eventually that we must adopt a maximum income standard as well as a minimum standard of life, and tax in full every dollar beyond the maximum standard upon which the country decides.

Meantime however let us use the instruments at our hand—and we have some instruments we could use to a greater extent than we are using them to-day. In view of the various monetary proposals which have been made lately I want to put our position, the position of this group, clearly on record. I

may therefore be pardoned for quoting a portion of a speech I delivered in Winnipeg last October, and which my colleagues have requested me to quote. It was made before our national convention, prior to the new monetary controversy which has recently arisen, and is in these words:

The C.C.F. has always placed in the forefront of its economic policy the public ownership and control of the financial system so that money and credit could be made instruments of national policy. Proposals to this end have been met by opposition from all other groups in parliament. There are those who talk vaguely about monetary reform and advocate the issue of "debt-free" money but who fail to recognize that neither the one nor the other can be achieved as long as banks are privately-owned institutions operated for the profit of their shareholders. The C.C.F. urges parliament to make finance the servant of the people instead of allowing it to continue to be the master. Some people fail to realize that money is only a medium of exchange and a symbol. To suppose that a multiplication of symbols will win a war or cure our domestic ailments is clearly a delusion and a snare. Monetary and financial reform must be considered and instituted as part of a general and wide programme of economic reform. It is a means, not an end in itself.

Dorothy Thompson, in an article entitled, "An Ideology That Cannot Win," put the matter well when she wrote:

"The Germans did not vote themselves four billion money units for defence. They voted—had voted for them—thirty thousand planes, so and so many guns, so and so many thousand tons of reserves of oil and raw materials. The German economy is an economy of things and men; the allied economy is an economy of symbols; money. The German economy recognizes that all wealth is in goods, particularly in capital goods, and that these are not created by money, which is only the medium of exchange, but by the application of labour to materials.

The Allies had money, but failed to produce goods. The Germans had no money, but did produce them."

Thus this doughty and bitter opponent of nazism places her finger on the strength of the German programme and upon our own weakness. Hitler has prostituted a fundamental truth of socialist philosophy for a diabolical purpose even as Satan is said to be able to quote scripture to serve his ends. To win the war, to meet the needs of the post-war period we must deliver ourselves from the delusion that money is wealth, and turn to the realistic truth, that all wealth is in goods, created by the application of labour power to material things. This is the Alpha and Omega of the C.C.F. economic philosophy; this is the truth which a new government in Britain is bringing to the attention of the English-speaking world.

I quote that because I believe it summarizes the point of view we have expressed from time to time in this chamber. To-day many people are under the delusion that money is wealth, when, as I said a moment ago, it is merely a symbol, a system of accountancy, if you like, in our economic structure.

Holding these views I wish to move, seconded by the hon. member for Vancouver East (Mr. MacInnis) the following amendment:

That all the words after "that" in paragraph 2 of the resolution be struck out and the following substituted therefor:

"the governor in council be empowered to raise, under the provisions of the Consolidated Revenue and Audit Act, 1931,

1. by way of compulsory, interest-free loans to be levied according to ability to subscribe, and

2. by the public ownership and control and the planned use of the entire financial system, such sum or sums of money, not exceeding in the whole the sum of $1,300,000,000, as may be required for the purpose of defraying such expenses or making such advances or loans, the principal of any such loan to be a charge upon and payable out of the consolidated revenue fund."

Surely we have a right to ask and to expect that when we call upon our men to fight, and perchance to lay down their lives, we should at the same time call upon accumulated wealth to place itself at our disposal. When the budget is before us we shall urge again the elimination of private profit from our war effort, but in the discussion on this bill we deem it our duty to urge the principle of compulsory interest-free loans and the public ownership and control of our financial institutions.

The publicly owned Bank of Canada has proven itself to be a most useful instrument in the control of foreign exchange and the relating of expanding currency to expanding production. Few realize when they talk of using large volumes of printed money that since July, 1939, the active circulating currency in Canada has been expanded by some fifty per cent.

When low price levels prevailed before the present war broke out, when there was unemployment and business stagnation, we advocated the issue of more money to provide more credit, to increase employment, to accelerate consumer demand and raise the price level. That was a measure of reflation which at that time we believed to be both justifiable and necessary. But the situation has changed. With an expanding war effort, with the distributing of new purchasing power in greater volume, with a lessened production of consumer goods, care must be exercised lest we bring about the disaster of inflation. In our opinion both deflation and inflation are evils which we should endeavour to circumscribe whenever it is possible to do so.

To-day inflation would not benefit agriculture whose wheat and other products are unsalable. Many of our agricultural people think that because during the great war

inflationary period they were able to reap more dollars for their products, the same thing might happen now. However, the situation to-day is different from that which existed in 1919, 1920 and 1921. Then there was a scarcity of wheat and foodstuffs throughout a great part of the world which had been devastated by war; there was a demand and the scarcity enabled agricultural produce to rise in price.

But to-day we face an entirely different situation. We have in Canada hundreds of millions of bushels of wheat which are yet unsold. Many people have gone into the hog raising industry, and that industry is being threatened with a surplus. When that happens we shall have people going into the live stock industry, and the same thing will happen there. To-day an inflationary period would have an exactly opposite effect upon the agricultural producer to what occurred in the years following the great war. He would have to pay high prices for all the consumer goods which he uses and he would receive relatively lower prices, lower even than those which now prevail, for his commodity. As my hon. friend suggests, he would be cleaned right out, the last remaining shreds would be picked from his already pretty thin body.

Then rising prices would cause distress among those who must live on a fixed income, on relief, or a pension. It would immediately bring about a demand in industry for increased wages. In some industries increased wages are justified to-day by the already increased cost of living, but the increased wages would never catch up with the increased cost of living. We would have industrial unrest which would interfere seriously with our war effort. To my mind the only people who would benefit from such a condition would be the speculators, for whom some of our politicians apparently care more than they do for the welfare of the common people of their own provinces.

We submit that only a planned democratic control of our economy will meet this situation and the situation which we will have to face in the next several years. The days of drift, the old days of laissez-faire, have gone. Whether we like it or whether we dislike it, we have to face the hard fact that to-day we are dealing with a situation which requires organization, planning and new methods. To the extent that democracy is able to plan, to the extent that democracy through its democratic institutions is able to direct, to that extent democracy will live. We dare not allow democracy to fall and ourselves to pass under the heel of some form of totalitarian dictatorship.

[Mr. Coldwell.]

That is why we place to-day complete public control, which we believe involves the ownership, of our financial system in the forefront of the proposals that we would make to this house. After all, the financial system is the means, not only by which we account for our productive activities but by which we save. When we say that we save money, let us remember that we save goods. When we do not spend a dollar, we do not demand a dollars' worth of goods. Our financial system is the means whereby we save, whereby we invest and whereby we direct production into its various channels. Only a completely publicly controlled financial system will fill the bill at the present time. More and more the government will have to tell our people what production they require; more and more they will have to tell the people what things they ought to forego.

I heard the Minister of Finance over the radio, I think it was from Windsor, a short time ago, and if I heard him aright he said that within the next year we may require 300,000 new workers in industry in order to maintain our war efforts in the new industrial organizations which we are building at the present time. That, in addition to the men normally engaged in the industries which we cannot do without—transportation, electric power, and so on—will not only absorb all the employable unemployed, but will demand the changing over of large numbers of people from one type of industry to another. This being the case, we have to go in for more planning than we have ever gone in for before. I know that before the war I used to say that, when war comes, planning become inevitable, and that is being borne out more and more to-day. Now, we can either have a planning from the top down, autocratic, totalitarian planning, or we can have planning through our democratic institutions by the representatives of the people for the people and for the common good. That is the choice, it seems to me, which lies before the democratic countries.

In time of war there is only one thing to do, and that is to direct all our energies to the one end, victory over the enemy. But in doing that we have to beware lest we make errors which will snatch from us the fruits of victory when the war is over. We of this group, in placing these suggestions before the house, are putting them forward not in any dogmatic way, but because we believe that they are worthy of consideration. At this time, no matter how widely our views on many things differ, we ought to have one common interest, and that is the preservation of our democratic institutions, so that in the days to come we and those who come after us shall be able to make ordered and orderly progress to a newer and a better day.

Mr. SPEAKER: Mr. Coldwell moves, seconded by Mr. MacInnis:

That all the words after "that" in paragraph 2 of the resolution be struck out and the following substituted therefor:

"the governor in council be empowered to raise, under the provisions of the Consolidated Revenue and Audit Act, 1931,

1. by way of compulsory, interest-free loans to be levied according to ability to subscribe, and

2. by the public ownership and control and the planned use of the entire financial system, such sum or sums of money, not exceeding in the whole the sum of $1,300,000,000, as may be required for the purpose of defraying such expenses or making such advances or loans, the principal of any such loan to be a charge upon and payable out of the consolidated revenue fund."

I would point out to the hon. member that the amendment is dealing with a resolution which has been recommended by His Excellency the Governor General for the consideration of the house. The motion before the house is that I do now leave the chair for the house to resolve itself into committee of the whole. Therefore this amendment is not in order.

That does not, of course, preclude the hon. member from moving his amendment if he so desires when the house is in committee of the whole; but meanwhile it is not in order.

Mr. VICTOR QUELCH (Acadia): First of all, I wish to make a few comments regarding the speech of the leader of the opposition (Mr. Hanson) and also one or two observations regarding the speech made by the house leader of the Cooperative Commonwealth Federation (Mr. Coldwell).

I was somewhat puzzled by a statement made by the leader of the opposition to the effect that, while he would be definitely opposed to inflation at this time, he thought possibly it might be justified at a later date.

Mr. HANSON (York-Sunbury): I did not say that.

Mr. QUELCH: Well, words to that effect.

Mr. HANSON (York-Sunbury): I never said it would be justified. I said we might have to consider it at a later date.

Mr. QUELCH: The hon. gentleman thought we might have to consider it at a later date. I believe most people will admit that, in times when we have unemployment and undeveloped resources, monetary expansion is occasionally necessary. As a matter of fact, we maintain that it is necessary, and the Minister of Finance (Mr. Ilsley), in his speech in September, 1939, admitted that for the purpose of providing fuller employment and greater production, monetary expansion would be desirable. But I cannot understand anyone suggesting that it might be more desirable at a later date after full production had been reached.

Mr. HANSON (York-Sunbury): I never said that either.

Mr. GRAYDON: He did not say that at all.

Mr. QUELCH: I think *Hansard* will show that is what he did say.

Mr. HANSON (York-Sunbury): I did not say it was desirable; I said that we might have to consider it later on.

Mr. QUELCH: I still cannot understand why we should consider it after reaching full production if we refuse to consider it before we reach full production. Surely the time to consider monetary expansion is before full production is reached. I think the Minister of Finance would agree with that statement.

The leader in this house of the Cooperative Commonwealth Federation made a statement with which I do not agree, when he said that when we nationalized the Bank of Canada it served to bring about a better relationship between production and money. In view of the fact that from 1935 to 1939 we had in the neighbourhood of half a million people unemployed, I cannot see how anyone can claim that the Bank of Canada maintained a correct relationship between the amount of money and the amount of employment or production in the country. The minister himself admitted in September, 1939, that it was desirable to have monetary expansion in order to bring about fuller employment and an increase in the production of the country.

The figures quoted by the Minister of Finance must have helped to impress everyone with the magnitude of our war effort. I think it should prove, to all those who have given this matter any consideration, the undesirability, or perhaps I might say the impossibility, of obtaining such enormous sums entirely from the pockets of the Canadian people. Action of that kind would mean the lowering of the standard of living of the people to such a tremendous extent that our war effort would be greatly impaired. If production were static, such action might be necessary. But, as a matter of fact, production is steadily expanding, and is still a very long way from reaching the maximum. I say that in spite of statements which have been made by some ministers to the effect that we are rapidly approaching that point.

We still have thousands of unemployed. I believe that every hon. member is being frequently approached by men, skilled men, looking for work. If that is not true of the east,

it certainly is true of the west. In addition, there are thousands of men in the over-age category between fifty and seventy years, who are, perhaps, not suitable for war work but who could make a very effective contribution towards increasing the production of consumer goods at this time. Again, thousands of people are engaged on what one might call wasteful occupations; and the leading one of those I would classify as the advertising business. Why do we need to have to-day thousands of men in the advertising business trying to persuade people to buy more, while on the other hand the government is stressing upon the public the necessity of spending less? I would call that action actually subversive at this time. Surely those people who are trained could be used in the war effort instead of carrying on work which I agree is essential, under our present system, in peace time, but in time of war is not only unnecessary but detrimental.

Many industries could greatly expand their production without taking on any extra labour —for instance, the farming industry. The farming industry to-day could greatly expand production in many lines. But as I listened to the Minister of Agriculture (Mr. Gardiner) addressing the United Farmers of Alberta convention in that province, I heard him tell the farmers that they would have, not exactly to curtail production, but to refrain from increasing production along many lines. He mentioned hogs and grain. There is the matter of vegetables. Farmers could expand in this direction, but they cannot sell the vegetables they are now producing. There is also the question of poultry, the price of which is so low that farmers cannot afford to increase production. When I left Alberta the price of No. 1 eggs was from thirteen to fourteen cents a dozen. Does anyone think that in the heart of winter that recompenses farmers for their labour? With a proper price for poultry production would expand. The same is true if there is a just price for all agricultural products of which there is now a scarcity. Production could greatly expand if the price were satisfactory. There should be no justification for what one might call the black-out of purchasing power, when there is a large amount of commodities available—commodities of which we have surplus to-day. Unfortunately, however, the present form of policy results in a total black-out because it does not take into consideration whether certain commodities are scarce or plentiful. Consequently people are unable to maintain a proper standard of living, which we consider necessary for the health and morale of Canadians.

A large amount of war expenditure has been met in the past and will be met in the future by expansion of credit. The government has already hired the chartered banks to create something like $450,000,000, and no doubt large additional sums will be created in the future. We hold that when it becomes necessary to create money it should be created by the Bank of Canada instead of by the chartered banks. We believe that we should maintain an equitable form of taxation in order to withdraw from circulation money in excess of the amount required to maintain that standard of living which will ensure the health and morale of the people.

All money for government expenditure in excess of that procured by taxation should be obtained from the Bank of Canada. That is the considered opinion of this group. Supporters of the government's orthodox financial policy are and always have been extremely critical of any proposal to adopt a real pay-as-you-go policy by supplementing the revenue obtained from taxation with debt-free money obtained from the Bank of Canada. Such a proposal is invariably branded by these people as one of crude inflation. The Minister of Finance in the past has waxed hysterical, conjuring up the terrible consequences of such an act, and in order to bolster up his argument against us he has invariably stated that we have advocated the issue of unlimited sums of money. Let me state most emphatically that at no time have we advocated such a thing. I say that because in the past we have been very careful to emphasize the fact that there is a definite limit to the amount of money that can be issued, that limit being the amount required to make the monetary demand of the people effective against the production of the country. That demand can be expanded until maximum production is reached—and, as I have already stated, we are still a long way from reaching that goal.

On November 21, 1940, the Minister of Finance stated that the government's financial war policy was in accord with the overwhelming preponderance of Canadian public opinion. Is that statement correct? After the minister had declared the government's policy in September, 1939, I was genuinely in accord with the statement he made when he said that as far as possible we were going to adopt a pay-as-you-go policy. He said also that the government would insist upon equality of service and sacrifice, and with that we are heartily in accord. Further, he stated that there would be monetary expansion to provide for unemployment and to bring the production of industries up to maximum capacity. We agreed with that. The minister surely would not suggest for a moment that that has been carried out. We have not adopted anything like a pay-as-you-go policy when one takes

into consideration the millions upon millions that we are borrowing. We have not adopted equality of service and sacrifice when we have on the one hand industries guaranteed cost of production plus profit and, on the other, the agricultural industry producing at considerably below cost of production.

The Minister of Agriculture stated that agriculture is making its contribution to the war by producing below cost of production. Is that equality of service and sacrifice? Can any industry continue to function efficiently so long as it is compelled to produce below cost of production? Yet that is the position of agriculture. Farmers are being forced steadily further and further into debt, and the only reason why they are able to continue is the fact that provincial debt legislation exists which makes as a first charge against production of the farm the amount required to finance the farmer for the current year. As I have said, the minister's statement may have been true of the attitude of the people at the time he made the announcement, but there is an awakening among the people to-day. If the minister would travel round the country more, he would probably find that to be the fact.

I believe an explanation of the fact that the protests of people are becoming more audible, and the reason why these protests have not been more audible in the past may be found in a letter that was written by a prominent banker to another banker many years ago. And the statement is just as true to-day as it was then. Let me quote from a letter referred to in document No. 23 entitled "National Economy and the Banking System of the United States." At page 99, from a letter written by Rothschild Brothers of London, England, to a New York firm of bankers on June 25, 1863, I quote:

> The few who can understand the system (cheque money and credits) will either be so interested in its profits, or so dependent on its favours, that there will be no opposition from that class, while on the other hand the great body of the people, mentally incapable of comprehending the tremendous advantage that capital derives from the system, will bear its burdens without complaint and perhaps without even suspecting that the system is inimical to their interests.

I am satisfied that to-day more and more people are beginning to realize that this financial system is definitely inimical to their interests. Since the abortive attempt on the part of the federal government to obtain what I would term a financial stranglehold on the provinces, these protests have become considerably more audible.

Is the finance department of this government in a position to adopt, as it has done in the past, an attitude of intolerance towards long overdue reforms of the monetary system? Are the financial policies adopted by Canada in the past and to-day such as to create a spirit of confidence in the people? Let us go back to the last war. The former Minister of Finance, now Minister of National Defence (Mr. Ralston), has stated that the financial policy to-day is in principle the same as the financial policy during the last war. I give some figures taken from the Canada Year Book, 1939. At the end of 1919 the gross debt of Canada, dominion, provincial and municipal, including railway guarantees, was $3,840,932,655. By 1938 that debt had increased to $7,904,000,000 in round figures. In other words, it had practically doubled.

Perhaps it is not fair to include provincial and municipal debts. Let us just take the dominion debt. At the end of 1919 it was $2,676,635,725, and in 1938 it had increased to $3,540,237,614, an increase of approximately 40 per cent.

We must all realize that we are now incurring debts that we shall never be able to pay. During the depression of 1930 to 1939 we were told on various occasions by prominent bankers that the main cause of that depression was the tremendous debt incurred during the war of 1914-18. If the debt incurred at that time was the cause of the depression of 1930 to 1939, what is going to be the consequence of the debts we are piling up to-day? I believe we all realize that the debts we are contracting to-day will never be met. I do not want to be misunderstood; I do not mean that people who are buying war loan bonds and saving certificates are not going to be repaid; of course they will be paid. But as far as the debt of the government is concerned, that will not be paid; the cost of paying the war saving certificates will be met by further refunding. The interest on these debts will go on forever, or as long as the present system is in operation.

It is easy to understand why this government adopts this complacent attitude towards the piling up of debts. The adviser to the government, the governor of the Bank of Canada, giving evidence before the banking and commerce committee in 1939, stated in answer to the question, "How will these debts ever be met?" words to the effect that it was not necessary for these debts to be repaid. In fact, he seemed to think it rather a foolish question. Let me give the actual words:

> Q. Is it possible for you to imagine any way by which we are ever going to pay the debt we have got?
>
> Mr. Towers: As the debts of the government are an asset of the Canadian people I do not see much point in the thing.

Here is another question and answer which shows even more clearly his attitude. As a matter of fact, in the second answer he takes the stand that a large debt is a sign of progress, a small debt a sign of stagnation.

Now I want to get this question across once more. Can we hope ever to tax the people of Canada sufficiently to retire the debts, or must we continue to go progressively into debt, although the debt charges may not increase because of lower rates of interest?

A. That debt is an asset of the Canadian people. Now let me say, I am speaking of public, private and all kinds of debt; what would be the object of repaying it?

Q. Well that is what—

A. Speaking of the thing as a whole. Now there may be and there has been an object in repaying debts so far as one individual entity is concerned; but as it is repaid to the holders of the debt one must assume that they are using that money for fresh enterprises, involving fresh debts and fresh assets; so that all I can say would be this, that in a country where the sum total of public and private debt was decreasing, you have a country which is going backward and which is becoming more poverty stricken. Generally speaking, in a country where you find that there is no public and private debt you have a country resembling darkest Africa; there is nothing else.

That, I think, shows clearly why this government are going head over heels into debt, when they have a man advising them who believes that increase of debt is a sign of progress. While it may be true that the national debt is a national asset, we should remember that it is only an asset of comparatively few of the people but it is a liability of one hundred per cent of the people. Therefore the government have to place a levy on all the people of Canada in order to pay tribute to a comparatively few. Is that a desirable condition? But that is the direct result of the government's financial policy as recommended and approved by the governor of the Bank of Canada.

I was interested to observe that the general manager of the Bank of Montreal, Mr. G. W. Spinney, takes just the opposite view. In my opinion, the stand taken by Mr. Spinney is far more sound than that of the governor of the Bank of Canada. Mr. Spinney, on January 24, 1938, said:

Canada's debt burden gradually is lowering the general standard of living, G. W. Spinney of Montreal, general manager of the Bank of Montreal, said in an address prepared for delivery to the associated boards of trade of Quebec eastern townships to-night.

He went on to say:

The primary threat to the welfare of this country lies in our indifferent attitude towards mounting debts. Federal and provincial government indebtedness is ever on the increase and some municipal bodies are shaping their courses in the same direction. Let us consider how our capacity to pay is keeping pace with the growth in our promises to pay.

Comparing the year 1937 with 1927 we find the annual national income of the country is less by something like $1,230,000,000. On the other hand the total of dominion, provincial and municipal direct and guaranteed debt had increased in the same period by some $2,620,000,000. In other words, while the wherewithal to enable us to pay our contractual obligations has shrunk in the last decade, we have in the same period substantially increased the total of our borrowings.

Something seems to be out of kilter here because we are obviously making promises which our present growth in wealth and income does not appear to justify.

So we in this group believe that we are quite justified in condemning the present policy as a debt-creating policy, a policy that is building up a tremendous debt which can never be paid but which will extract interest charges from the people as long as we continue under the present system.

Let us take a later period, 1935 to 1939, the regime of this government. During that period we had an average of a million on relief, half a million unemployed employables, industry operating at only a small percentage of full capacity, our capital assets being steadily depreciated and our defences neglected while foreign countries were rearming. This was all because the Minister of Finance of that time insisted that money was not available to develop the resources of this country. Hon. members who were here during that period will remember how time and again we of this group urged the government to adopt a policy that would make it possible to develop the resources of the nation, but all we got out of the Minister of Finance was hysterics. He conjured up the bogy of inflation; he saw the snakes of inflation creeping about the country, choking the very life out of the people. When it was even suggested that we should make old age pensions available at the age of sixty-five, the minister said it was impossible to find the money, but now we are finding millions and billions for the destruction of life.

I am satisfied that, when this war is over, people will not be content to be told by the government that money is not available to guarantee a decent standard of living in Canada, while we have half a million people unemployed and industries producing only to a small percentage of their capacity. I am satisfied that, when our soldiers come back, they will not be content to be told, as the soldiers of the last war were told, that no work is available for them and they will have to go on relief. Soldiers will not be content to see the widows of soldiers forced on relief because the government refuse to pay pensions, because these women are in the unfortunate position of being unable to prove that their husbands died as a result of

war service, or had a 50 per cent disability. As every hon. member knows, that is a situation which every returned man has been fighting for the last twenty years. Finally we had the disability reduced from 80 per cent to 50 per cent, but there are still many widows of men who died as a result of war service who have been forced to accept relief because this government would not accept its responsibility. I do not believe that, after this war, our soldiers will permit such a situation to continue. When they see the government finding millions of dollars for war purposes, they will not be content to be told that in a country like Canada, with all its resources, people must remain on relief and without employment simply because the Minister of Finance considers it necessary to maintain a deflationary policy.

As I have pointed out already, during the period from 1935 to 1939 we urged upon the government the need for monetary expansion We urged that a certain proportion of the unemployed be used to build up the defences of the country, to construct roads, irrigation projects and other essential services, while the balance of the unemployed should be used to expand the production of consumer goods, thereby satisfying the demand of those engaged in other services. That is to say, we stressed the need for maintaining a definite relationship at all times between the production of capital goods and the production of consumer goods, so that the money paid out in the production of capital goods would equal the deficiency of purchasing power that existed as between the total prices of consumer goods available for distribution and the effective demand against them. Provided that is done, there can be no talk of inflation, because by such action you have stabilization, not inflation. And, as I have already said, those who were in the house at that time will remember what happened; invariably the Minister of Finance displayed hysterics, or the debate was adjourned on some excuse or another.

So, Mr. Speaker, I would say that from 1935 to 1939 the Department of Finance continued to sabotage the development of our industries and the training of our man-power, while our potential enemies, unhampered by such financial restrictions, expanded their industrial output to the maximum. Therefore, upon the declaration of war, we found ourselves in this deplorable situation, with weak defences, practically no modern armies, a large volume of unskilled labour, and with our industries running in low gear. In view of the points I have recited, Mr. Speaker, is there any reason why the people of Canada to-day should have any confidence in the financial policy of this government? I could not help feeling amused at the following statement made by the present Minister of Finance, apparently in reply to Mr. Hepburn, on January 24 of this year:

> I can understand that during the depression, when there were unemployed labour and resources in Canada, it may have been difficult for a layman to grasp the rather technical principles that determine the amount of expansion of currency and credit that may safely and wisely be provided for—

I am glad the minister admits that such a policy is at least open to question; I assume he would object to the use of the word "criticism." I am satisfied that the minister will have a far harder job to justify a policy of that kind after the war than perhaps he has had in the past because, as I have stated already, there is a rapid awakening taking place, and the tremendous expenditure of money in connection with this war has opened the eyes of the people as they have never been opened before. I am hoping that the deflationary policies of the past are a thing of the past which never again will be sanctioned by the people of Canada, and that in future the Prime Minister will be compelled to live up to the policy which he laid down in 1935, and upon which he won a great election.

I think we are all agreed that Canada must make a maximum war effort at this time. We know that Canada has tremendous resources, both developed and undeveloped. We also appreciate the fact that we are a long way from the point where these resources may be developed to their capacity in order to bring about a maximum war effort. In our opinion, the main obstacle impeding our progress is the financial bottle-neck. The Prime Minister, the former Minister of Finance and the present Minister of Finance have stated in effect that anything physically possible to further our war effort will be made financially possible. I submit that to-day this policy is not being carried out. I think it is quite obvious that ever since the declaration of war the government has been thinking in terms of money instead of in terms of production. As evidence of the truth of that statement I would quote some examples.

First of all, I might refer again to agriculture, one of the key industries, which to-day is still being compelled to produce many commodities at less than cost of production. We all know that no industry can carry on efficiently under such conditions. The farmers have every right to demand that the government carry out its promise with regard to equality of service and sacrifice. I am not suggesting for one moment that we should

hold up England for higher prices. I am suggesting that the difference between cost of production and the prevailing price should be made up by means of a subsidy paid by the government, the cost of which subsidy should be borne by the whole Canadian people. I do not see why one body of people should be asked to make a greater sacrifice, so far as production is concerned, than any other body; and, as the Minister of Agriculture has admitted, agriculture is being sacrificed in this war. We do not know what will be the consequences of this policy, but we do know that the debts of the farmers are being expanded month by month, year by year, and that all the advantages brought about by debt adjustment for the farmers are being wiped out and that this work will have to be done all over again. We are only laying up more trouble for ourselves by ignoring this problem. It will have to be dealt with after the war, so why not deal with it now? The minister need not be afraid that a fair price for agricultural products would cause an increased demand for goods. The farmers have such tremendous debts to pay that any increased returns they receive will be applied on their debts, and of course when money is paid back to the banks it goes out of circulation.

I have another instance to show that the government is still thinking in terms of money rather than in terms of production. I have in my hand a letter which I received from Mr. Justice T. C. Davis, associate deputy minister of the Department of National War Services. Page three reads as follows:

> Scrap iron and steel: This is an item which is particularly important and every effort should be made to salvage all of this type of scrap metal. Only experienced persons can adequately sort out scrap metal, break down and arrange the same for shipment, and experienced persons should be called into consultation in doing this work.
>
> A thorough investigation into the problem of scrap iron and steel has disclosed the fact that in all parts of Canada, except in Saskatchewan, Alberta and British Columbia, there is a ready market for these materials. Freight rates and prices are such in Canada, exclusive of the said three provinces, that voluntary organizations very often make a good margin of profit by gathering up these materials. It is highly desirable that the supply of this type of material be substantially increased.

And it goes on to say:

> In connection with the three provinces of Saskatchewan, Alberta and British Columbia, there is no place in these provinces where scrap metal can be consumed in quantity, and all such salvage must be shipped to markets outside these three provinces. At the moment, freight rates and prices make shipment generally impracticable.

[Mr. Quelch.]

First of all, he says that this is an item of particular importance, and that every effort should be made to salvage it, but that salvage of this commodity cannot be carried out in the three western provinces because it costs too much. Does that sound as though we are removing financial limitations when we have in three provinces large quantities of scrap iron which the government cannot use because it costs too much to move it?

Mr. ILSLEY: Is it not probably because the moving costs are not so great in terms of money, but are great in terms of labour, coal, and the use of railway equipment? I am told it would be an uneconomic movement, without bringing money into the matter at all.

Mr. QUELCH: Surely at this time, when there is no great movement of grain, there should be plenty of boxcars, or cars of other types available for the movement of these materials.

I am glad the minister mentioned labour, because I intended to say something on that point. Now is the time when there is very little work to be done on the farms. Two months from now, farmers of the prairie provinces will be exceptionally busy. If any work is going to be done to salvage scrap iron on the farms, it should be done in the winter. There will be no labour available in the summer months. If the work is not done now, it will have, to a large extent, to be left until next winter.

I understand there are still many semi-idle railway employees. Certainly they will be busier when the grain moves again. Someone mentioned coal. There is plenty of coal available for the trains. We know that in Alberta many men are idle, or work only a few days a week, because they cannot get orders for coal. They are not employed in any war industry when they are not in the mines. No, I do not think the minister's explanation is very satisfactory.

Then we may discuss the production of munitions in the west. We have in western Canada factories which could be producing munitions. We are told, however, that it is cheaper to produce them in the east. If we were engaged in a modified war effort, that might sound reasonable. But when we are engaged in a total war effort, then I say that every available factory should be utilized, no matter what the financial outlay may be. We must have armaments. If we lose the war, it will not help us to say that we could have won it if we had used those factories. That would be a very poor excuse, indeed.

The financial factor is the one which is being considered. It is physically possible to utilize those factories, but they are not being

utilized. And might I mention that there are still thousands and thousands of unemployed. Every hon. member is being constantly approached and being asked if he cannot find a way by which some person can make an effective contribution to the war. Both skilled and unskilled men are in that position. The minister doubts it? Well, I am prepared to give him the names and addresses of many men; so that they can come here and secure work.

In closing, I would reiterate what I said about the stand we take with regard to a financial policy. We feel that as equitable a form of taxation as possible should be maintained in order to withdraw from circulation money in excess of the amount required to ensure a standard of living which would protect the health and morale of the people. All money for government expenditures in excess of that procured by taxation, should be obtained from the Bank of Canada. In other words, we are definitely opposed to any borrowing from the chartered banks or from any other source. If the programme we suggest were followed, we would have in truth a pay-as-you-go policy, with no danger of inflation. It might be necessary to introduce rationing. It certainly would be advisable to eliminate altogether certain industries which are producing unnecessary articles, and put those industries at war work. Many commodities are being produced to-day that people might deny themselves without having their standard of living seriously endangered. We are of opinion that the government is prepared to do everything possible to win the war, provided it may be done by orthodox means. It almost looks to us as though it is prepared actually to risk losing the war, rather than use unorthodox methods.

Mr. T. L. CHURCH (Broadview): Mr. Speaker, the speeches of the two hon. members who have immediately preceded me show the necessity of immediate reconstruction by the government of its way of doing business at the present time, so as to bring about national government of all. It is the desire of the Conservative party to work, to cooperate to the utmost with the government, and to have from all a united effort. After all is said and done, it is a government of Canadians in Canada, and it should be the desire of the opposition—it is in fact the desire of the official opposition, with all here—to cooperate with the government to the utmost extent in the prosecution of the war.

But in the dire straits in which this empire finds itself to-day we are not going to cooperate along the lines the two parties to my left are endeavouring to put over. When Canada may be invaded, we will not allow them to use the war as a means of putting over their policies. As I said on December 5—

> . . . I object to the war being used by them as an opportunity to urge their plans, to put across their own cures, remedies, prescriptions, palliatives, patent medicines and gold cures for the economic ills and financial and social burdens of the country. They are using the dire straits in which Britain finds herself to-day to put over their remedies and divide this country when it should be one from coast to coast, with all its citizens ready to support the government. This is what should be done as long as the government are carrying out their duties and doing a real war job, and if they run the war in a non-partisan way, but not otherwise.

Mr. JOHNSTON (Bow River): You would rather lose the war, would you?

Mr. CHURCH: The object of these gentlemen is to take advantage of the war to propose their policies, and then in the elections take the reins of government after the war. There is no doubt about that. We have heard of the proposals of these parties in the house before.

Mr. MacINNIS: I submit that the hon. member has no right to impute motives to any other hon. member. We have let him get away with quite a lot. But there are limits to which he can go, and I suggest he should be so advised.

Mr. CHURCH: That is not a point of order. It is just another speech by the hon. member.

Mr. MacINNIS: I am speaking to a point of order.

Mr. SPEAKER: The hon. member has a right to reply to a point of order. I am listening to his reply.

Mr. THORSON: Nobody pays any attention to him, anyway.

Mr. CHURCH: The hon. member for Vancouver East (Mr. MacInnis) should know that even if it was a misstatement—which it was not—it is not out of order. If we were to call members of the Cooperative Commonwealth Federation to order every time they make misstatements, they would be called to order every few minutes. Let me say to these gentlemen—

Mr. SPEAKER: The hon. member for Vancouver East has said, when raising a point of order, that motives have been imputed to him.

Mr. CHURCH: The Conservative party has always been consistent in its trade, tariff and financial protection policies for Canada. The Cooperative Commonwealth Federation and the other groups in the house are minority

groups; but the Cooperative Commonwealth Federation, although not large numerically in the house, has considerable influence among the farmers and industrial workers of the country. All its members are sincere in their beliefs; I never doubted their sincerity or motive, and I believe they want to do everything possible for our war effort. I do not, however, want to see the war used as an opportunity for putting across any so-called cures and remedies for conditions, cures and remedies which I do not believe to be in the interests of the people of this country and which can wait until the war is won. As I say, the Conservative party has always been consistent, although I am ready to admit that in the past it has, like other parties, made some mistakes. But it has always consistently supported protection all along the line, and the principle of sound money.

This country dreads an inflationary price movement, and there is no sound reason why such a movement should be allowed to develop in view of the fact that Canada is a country with unlimited natural resources, an abundance of raw materials, a balance of idle labour and capital and the technical resources which can be drawn upon to increase production. Apparently the object of certain people in Canada is to use the great peril Canada now faces, fighting as she is for her very existence, as a means of advancing their platforms and aims and policies. For instance, the suggested amendment aims at the nationalization and conscription of the means of production, namely, the products of the land, of our manufacturers, of our banks, of the sea, the soil, the forest and the mine, and of wealth. We should not lend our support to policies which are foreign to the two older parties, and which would tend to divide us in time of war.

Let us not drive our landowners, our manufacturers and our farmers away from their properties. Otherwise we shall be heading toward the setting up of a totalitarian state or state socialism. All private enterprise will be eliminated and destroyed by these excursions into state socialism. Under such a system the farmer would, in the end, be a paid worker, and the landowner would pass out of the picture. The whole empire, including Canada and the other dominions, would become totalitarian and be subjected to a system of what some people call collectivism. Without an incentive, which is natural in man, he will not work. There would be nothing to work for. It would not take him long to realize that there would be nothing for his long hours of work and toil. This awful struggle is being used to fasten such a system upon Canada in the next election. No such wholesale scheme has been thought of before. The danger should be driven home in the house and in the country.

The Tory party draws its support from agriculture and labour. It has always had considerable support from the trades union movement and the working classes. It believes in a sound policy. It believes in Christian socialism, and it has given Canada considerable Christian socialism in legislation. We may not go as far as many of the hon. members of the groups to my left; we do not believe in the theories advanced by the hon. member for Vancouver East and others. The Conservative party believes in the welfare of our own working people, in our own work for our own workmen; it believes in our own markets for our own products. It believes in sound money, brought up to date to meet changed conditions. The right to possess private property is not derived from man; it is derived from nature, and the state has no right to abolish it; the state can only regulate its use.

While I believe in a reasonable amount of Christian socialism, I do not think this is the time to bring up these matters. The country should not be divided at this time; we should be united in our efforts. The war is the only thing that should be discussed in this parliament to-day. There seems to be no one in the house or in the country who is willing to speak of those principles which made our empire great, those great fundamental principles of public policy. A great future lies before Canada once this war is won. The Tory party is not a rich man's party, it is the party of the working classes, and of the trades union movement, because of its protection for labour. It is our desire that this party should be taken back to the masses who have always been its refuge and strength. I am ready to support the government just as long as it does its duty in connection with this war.

Canada has been behind Australia who has troops in Libya and Singapore. We have only to look at what was done in Australia and New Zealand. I gave a summary of this on a previous occasion. They summoned their parliaments at once to legislate for instant conscription, not only of men but of land, property, industry and wealth. The Australian minister of defence said, "We give Britain an open cheque to draw on Australia's manpower". There was a renewed rush to the colours. More than 1,000 men offered themselves in New South Wales on June 17, and 550 enlisted at one Melbourne depot on

June 18 in a few hours. It was decided to raise a third division for service overseas, to increase the home defence force to 250,000 men and to enlist 2,000 more for the navy. The British government was invited to take over aircraft being manufactured for Australia in the United States, and orders were placed for over £2,000,000 worth of aircraft in local factories. Hardly a word of recrimination was uttered. Mr. Menzies, the prime minister said:

> The empire must continue the long struggle with all its resources until British sea-power, through the blockade, brings retribution to Hitler.

Mr. Curtin, the labour leader, when giving unqualified support to the emergency powers measures which incorporated so much that his movement had hitherto opposed, said:

> I am not afraid of what the government may do with its powers, I am afraid only of what the enemy may do if we do not vote with the government.

The same thing happened in New Zealand. It seems to me that Canada is lagging behind. We know now what happened yesterday in Singapore, where a number of Australian troops were landed. Yet Canada would take no part in developing the Singapore base, or give a dollar to it, although it holds the key to the protection of the Pacific. There is no royal road to victory in this war, as Canada will soon find out to its sorrow. The measures to be taken to pay for the defence of this country are to be found in the four clauses of the resolution. The Canadian public will stand for any measures, no matter how drastic, provided the government is making an honest war effort on their behalf. There must be no complacency in this effort. The House of Commons has a function to perform.

On motion of Mr. Church the debate was adjourned.

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

Thursday, February 20, 1941.

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CAPTURED GERMAN MERCHANTMAN "WESER"

Mr. REID:

1. Under what Canadian company or department of government was the captured German merchantman *Weser* placed after her capture and arrival in British Columbia ports?

2. Was the captured ship given a complete examination as to her seaworthy condition or any possible damage to her engines or other machinery?

3. Were the engines, machinery or hull found to be damaged? If so, to what extent?

4. Who was entrusted with such examination and what were the names and qualifications of the men who actually made the survey?

5. Was any estimate made of the repairs required, and, if so, what was the total estimated sum of all repairs considered necessary?

6. Were tenders called for such repairs?

7. What company or companies were given the work of repairing this ship?

8. What was the total cost of all repairs carried out, including engines, machinery and hull?

Mr. HOWE:

1. The Canadian Government Merchant Marine, Limited.

2. Yes.

3. The hull was not damaged, but was very badly covered with marine growth of hard substances. Engines and machinery, when opened up, disclosed defects to the extent of about 75 per cent; consequently repairs were necessary.

4. Mr. William Adie, a first-class engineer with British Board of Trade certificates, and with over twenty years' service with Canadian National Steamships, was placed as engineer in charge of the work and as acting superintending engineer of the company.

Captain H. S. Hilton, a master mariner with over twenty years' service with Canadian National Steamships.

The above two gentlemen represented the company.

A representative of the Canadian Steamship Inspection branch of the Department of Transport and a representative of Lloyds Registry of Shipping.

5. In view of the fact that the ship had been in southern waters for a long time, and that it was absolutely necessary that it should be classed in accordance with the Canadian government regulations as well as any commercial society for classification, it was necessary to open up for their inspection the engines, and all other machinery, including refrigerating machinery, tanks, steering gear, etc., to ascertain the actual internal and physical condition of the vessel.

For this work, and for such renewals and repairs as were apparent at the time, tenders were called, the successful tenderers being Messrs. Yarrows, Limited, of Victoria, B.C., who were given the work.

As the opening up of the various parts progressed, it was found that additional repairs and renewals were absolutely necessary, and to have endeavoured to secure prices on this work would have meant that as each individual

item disclosed itself a new call for tenders would have been required, which was not practicable, and, as is common practice under such conditions, the work was carried out by Messrs. Yarrows, Limited, the ship being at their plant and all opened up.

6. Tenders were called for as referred to in answer to No. 5.

7. Messrs. Yarrows, Limited, Victoria, B.C.

8. Actual repairs, $106,544.

QUESTION PASSED AS ORDER FOR RETURN

TRANSPORT COMMISSION—FREIGHT RATES AND TARIFF TOLLS—TRAVELLING EXPENSES

Mr. REID:

1. How many appeals for reduction in freight rates have been made to the board of transport commissioners by British Columbia since 1925 and up to the present time?

2. How many of these appeals have been granted?

3. What number of appeals have been heard by the board of transport commissioners from January 1, 1940, to January 31, 1941, from the province of British Columbia, asking for a reduction in freight rates?

4. How many of these have been granted?

5. How many requests or appeals have been made to the board of transport commissioners or board of railway commissioners by the Canadian National and Canadian Pacific railways, since 1925 up to the present time, for an increase in tariff tolls?

6. How many of these have been allowed or granted?

7. What was the total cost of travelling allowances of the board of railway commissioners during the period from January 1, 1940, to January 31, 1941, and what amount was incurred by each commissioner?

AIRCRAFT PRODUCTION

QUESTION AS TO PRESENT POSITION, WITH REFERENCE TO FEDERAL AIRCRAFT LIMITED

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I rise for the purpose of requesting from the Minister of Munitions and Supply (Mr. Howe) a public statement with respect to a matter of vital public importance, namely, the present unsatisfactory state of aircraft production in Canada, and particularly with respect to the alleged failure of the wholly government-owned corporation, Federal Aircraft Limited, to function.

I make this request at this stage and in this manner, rather than in the form of a motion for the adjournment of the house to discuss this definite matter of urgent public importance, on the ground that we have no wish in the world to embarrass the government's war-time production plans. There has, however, been so much delay in the production of aircraft that it is quite apparent that the government's announced programme, made on several occasions and as long ago as nine months, has been a complete failure.

Federal Aircraft Limited was set up by the minister as a government owned corporation—

Mr. HOWE: Order. Is my hon. friend making a speech on the orders of the day?

Mr. HANSON (York-Sunbury): I am making a statement, and I think it is open to me to do so.

Mr. HOWE: Is it in order for me to continue the debate?

Mr. HANSON (York-Sunbury): I would ask the minister to give some consideration to what I have to say, and to use his own judgment. I do not expect him to make a complete statement at all to-day. I am doing it in this manner because I am advised that I can do it in this way, and I ask the minister and the house to hear me.

Mr. HOWE: Well, Mr. Speaker, my hon. friend has made his request already; he is now making a speech.

Mr. HANSON (York-Sunbury): I am pointing out what the position is, if I may be permitted to do so. No reflection on the minister or on the government is intended. That matter is too important for anything of the sort. Unless I am ruled out of order I intend to proceed.

Mr. SPEAKER: I have already on a former occasion dealt with the matter of questions on the order of the day. I take it that questions will be asked with sufficient detail to give the minister who is addressed an understanding of the subject matter dealt with, but no expression of opinion should be given by the hon. member who asks the question. I rather think the hon. leader of the opposition (Mr. Hanson) is giving expression to an opinion.

Mr. HANSON (York-Sunbury): Then with the leave of the house I ask to be allowed to continue, and if I am not I shall give the statement to the press.

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): Why the laughter? It has not gone to the press yet, but it will go.

Mr. MACKENZIE KING: I am sure there is every disposition on the part of all hon. members in the house to give my hon. friend as much latitude as may be necessary to allow him to fulfil any function of the leader of

the opposition. But there is a procedure which this House of Commons follows and which my hon. friend knows as well as any member of the House. I think on reflection he will agree that His Honour the Speaker has given a right interpretation of the procedure to be followed at this time.

As far as giving anything to the press is concerned my hon. friend is of course at perfect liberty to do that, but I might remind him of what he frequently says to me, that it is desirable in connection with public matters likely to come up for discussion in parliament to have them so far as possible brought up in parliament in the first instance.

Mr. HANSON (York-Sunbury): I agree with that, that is why I am bringing it up here. I understand, then, that I am not to be allowed to proceed further?

Mr. LAPOINTE (Quebec East): Ask the question.

Mr. SPEAKER: If the hon. leader of the opposition has some further question to ask of the minister, of course he is entitled to ask it. All that I ruled was that no expression of opinion should be given.

Mr. HANSON (York-Sunbury): I am proposing to make, in addition to what I have already said, a statement of fact. I believe I am fully within the rule. And I wind up by asking the minister to give to the house a full, complete and true statement of the position. I think I am within the rules, but I certainly bow to Your Honour's ruling if you think I am not.

Mr. SPEAKER: I think the statement already made covers fully what the hon. member requires of the minister.

Hon. C. D. HOWE (Minister of Munitions and Supply): In reply to the question of my hon. friend I shall be very glad to give shortly the complete statement for which he asks.

Mr. HANSON (York-Sunbury): Do I understand that I am absolutely barred from completing my statement of fact? If Your Honour rules that I am, of course that is the end of the matter to-day.

Mr. LAPOINTE (Quebec East): First, Mr. Speaker, I call your attention and that of my hon. friend to his very last words. He says he wants to complete his statement of fact. That is not the purpose of asking questions in the house. The rules are very clear; the purpose is not to convey information, but to ask for information. It will be for the Minister of Munitions and Supply to give the facts after my hon. friend has asked his question.

Some hon. MEMBERS: Hear, hear.

Mr. HANSON (York-Sunbury): Mr. Speaker, if we are to have that exhibition of the steam roller—

Some hon. MEMBERS: Order.

Mr. LAPOINTE (Quebec East): Who is the exhibitor?

Mr. HANSON (York-Sunbury): I now desire under standing order 31 to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance.

Mr. MACKENZIE KING: May I ask my hon. friend if he has already presented to Mr. Speaker the matter of urgent public importance which he wishes discussed?

Mr. HANSON (York-Sunbury): No, I have not. If it has to go through the regular procedure it is clear that I cannot go on at this stage and at this sitting, but there will be another time when I can go on. I chose, as I stated in my opening, to put the matter in this form as a question on the orders of the day rather than to move the adjournment of the house. If I am barred, of course I shall have to stop. But I am telling the house and the country—

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): —that they will not have heard the last of this.

An hon. MEMBER: Cheap!

Mr. LAPOINTE (Quebec East): Again, Mr. Speaker, we call your attention to those words of my hon. friend. He says he will have another occasion, and it is exactly because he will have another occasion that he has no right to move the adjournment of the house on a matter which he claims to be urgent, the more so since my hon. friend has already spoken on that very question in the fairly lengthy speech he made yesterday in the course of the debate which is now proceeding in the house.

Mr. SPEAKER: Standing order No. 31 provides that:

(1) Leave to make a motion for the adjournment of the house (when made for the purpose of discussing a definite matter of urgent public importance) must be asked after the ordinary daily routine of business (standing order 15) has been concluded and before notices of motions or orders of the day are entered upon.

(2) The member desiring to make such a motion rises in his place, asks leave to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance, and states the matter.

(3) He then hands a written statement of the matter proposed to be discussed to the Speaker,

who, if he thinks it in order and of urgent public importance, reads it out and asks whether the member has the leave of the house.

If the hon. leader of the opposition gives me a written statement of the matter that he proposes to lay before the house so that I may decide upon it, I will deal with it.

Mr. HANSON (York-Sunbury): I suppose I should be glad to do that, Your Honour.

Mr. SPEAKER: This is rather a lengthy statement, but I think the gist of it has already been indicated to the house by the leader of the opposition. He has stated himself that he can have opportunity to discuss this at a later date. I rule that it is not a matter of such urgent public importance that it cannot be dealt with at another time, and therefore I cannot accede to the hon. member's request.

EXTERNAL AFFAIRS

REFERENCE TO PRESS REPORT COMMENTING ON CANADA'S REPRESENTATION AT WASHINGTON

On the orders of the day:

Hon. R. B. HANSON (Leader of the Opposition): There is another matter which I should like to draw to the attention of the Prime Minister (Mr. Mackenzie King) and the house, namely, a Canadian Press dispatch from Brantford, Ontario, appearing in last evening's Ottawa *Journal,* in which Mr. John MacCormac, Washington correspondent of the New York *Times,* is reported to have stated that "Ottawa had 'muzzled' Canada's official representatives 'to the benefit of the American isolationists rather than the interventionists' ".

The whole article is, I believe, of sufficient importance that it should be read to the house, but probably objection will be taken to that.

The charge here made is a very serious one, particularly when made by such a well-qualified observer, and should be dealt with immediately. There is grave unrest in the country with regard to Canada's representation in the United States; the position should be clarified at the earliest possible moment, and I invite the Prime Minister to do so.

If I am permitted I should like to read the article; perhaps it has not come to the attention of the Prime Minister.

Mr. MACKENZIE KING: What is the question my hon. friend is asking me?

Mr. HANSON (York-Sunbury): The question is, what is the position of Canada's representation at Washington at the present moment, having regard to the statements of this journalist? I quote:

[Mr. Speaker.]

John MacCormac, Washington correspondent of the New York *Times,* said in an interview here to-day that "the Dominion of Canada is in a position to play an important part as an intermediary between the United States and Great Britain, but she is very strikingly not doing it."

Former Ottawa correspondent of the *Times,* Mr. MacCormac said Canada is not using her great influence in Washington on behalf of Great Britain. "Canada is . . . preserving a deep and impenetrable silence at the very time when future relations between the two halves of the English-speaking world are being determined by debate over the lend-lease bill."

He said isolationists in the United States were making a talking point of that part of Canadian policy by which the statement of Britain's dollar resources in America did not include Canada's holdings. Most needed in Washington was not more Canadian representation but a change in Canadian policy. He said Ottawa had "muzzled" Canada's official representatives "to the benefit of the American isolationists rather than the interventionists."

I ask the Prime Minister, as Minister of External Affairs, what he is going to do about a position like that.

Mr. POULIOT: The journalist is irresponsible.

Right Hon. W. L. MACKENZIE KING (Prime Minister): In speaking on Monday I thought I made a very frank, clear and comprehensive statement about the position of Canada at Washington, and I would refer my hon. friend the leader of the opposition to the statement I made at that time as an answer to the question he has just asked. I would say further that I was anxious to proceed this week with the estimates of the Department of External Affairs in order that I might enlarge upon some of the subjects referred to. As my hon. friend knows, I have postponed the consideration of external affairs only in order to accommodate the house. Those estimates will, I assume, be coming up for consideration on Monday next. Perhaps then if need be I may be in a position to answer further questions.

LEADER OF THE OPPOSITION

REFERENCE TO ARTICLE IN RECENT ISSUE OF "LIBERTY" MAGAZINE

On the orders of the day:

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): In view of the practice of quoting editorials I should like to direct a question to the leader of the opposition (Mr. Hanson) based upon an article which appeared in the February 15 issue of *Liberty* magazine, written by Mr. Grattan O'Leary, which contains these words:

Mr. R. B. Hanson, Conservative leader, is a well meaning man. He lacks experience; lacks

help; has no good fighting lieutenants; is without a research staff to keep him informed.

I should like to ask my hon. friend if that is true.

COMPULSORY TRAINING

REVISION OF REGULATIONS RELATING TO TRAINING PERIOD

On the orders of the day:

Mr. G. S. WHITE (Hastings-Peterborough): I notice in the press that registrars and officials from thirteen military districts across Canada have held a meeting in Ottawa with regard to the revision of the rules and regulations in connection with the four months compulsory training plan. I should like to ask the Minister of National War Services (Mr. Gardiner) if these rules and regulations will be submitted to this house for consideration before they are adopted.

Hon. J. G. GARDINER (Minister of National War Services): As I understand it, under the legislation itself and pursuant to an understanding entered into last session, as soon as these regulations are enacted they will be placed on the table of the house.

Mr. WHITE: That is the point. Will they come before the house for discussion before they are enacted?

Mr. GARDINER: No. The legislation provides that they are adopted by order in council, and they will be tabled here when passed.

WAR APPROPRIATION BILL

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

The house resumed from Wednesday, February 19, consideration of a motion of Mr. Ilsley that the house go into committee on a resolution to provide sums not exceeding $1,300,000,000 for the year ending March 31, 1942, for the carrying out of measures consequent upon the existence of a state of war.

Mr. T. L. CHURCH (Broadview): I respectfully suggest to the government that some notice should be taken of the handwriting on the wall, of the feeling throughout the country, the expressions appearing in the press and elsewhere, and that consideration should be given to uniting all parties in the country and in the house so that we may have a real wartime national government. I think the party system is one luxury we can do without during this war; there has been altogether too much of it. A great many people think the government is conducting a Liberal war, and that our war effort is not being carried on in the non-partisan way it should be. There is some element of truth in that suggestion, I am afraid. I believe in the principle of confederation, each for all and all for each, which is the old Cornish battle cry.

Now the government is proposing a salvage campaign. I have been a consistent supporter of this proposal. On June 5 of last year I moved for a return in connection with the export of pig iron, scrap iron and copper to Germany, Russia, Japan and Italy, and I also proposed a campaign to gather up all the available scrap material in the country. That suggestion was taken up by the street department of Toronto, which realized a large sum of money through the collection of waste material. I do not wish to minimize the importance of this work, but I think the government are just three years too late. Some further very valuable suggestions along these lines were offered last Saturday by Mrs. C. D. Howe in an interview at Port Arthur, when she spoke about the importance of not wasting things in Canada during war time.

The revelation of the strength and skill of the German forces in their occupation of Norway, Holland, and Belgium, shocked the people of this country and the United States. And I can say this, that it was the collapse of Belgium and France which gave the people the urge to do their duty in the war. On the Atlantic and the Pacific, Canada is protecting America's shores; troops have been established there, and air force zones have been set up. Why should not the United States, as it is helping Great Britain, assist Canada to finance the war, in connection with munitions and other matters? As I read the lease-lend bill, the debates so far which have taken place on it, and its interpretation by the attorney general of the United States, it seems to me the government might consider obtaining a loan in the United States at an interest rate of two-thirds of one per cent. That was the figure at which the former minister of finance said moneys could be borrowed. I believe a large loan could be secured at a very low rate of interest, notwithstanding any difficulties presented by the exchange situation, which could be eliminated by a conference. In that way, too, we might go far towards eliminating the small and petty annoyances set up by the foreign exchange situation.

In the old days in Canada everyone owned a house, a small property, a farm, or a garden with some flowers. We have been slow in Canada to see how the rights respecting private property have been taken away from us. To such an extent has this taken place that the people of Canada have, in a measure, become a proletarian people. As I said before,

if the government needs money it must, no doubt, take the easiest way of securing it in order to finance the war. But what I do object to is the way they are doing it. In my opinion the government should charge 70 per cent of this war expenditure, if of primary importance —not secondary—to capital, and about 30 per cent to income.

Industry cannot continue any longer to carry the burdens, restraints and artificial barriers which are placed upon it by a score of boards. I do not know how business men can continue to conduct their operations or businesses with all the boards which have been appointed in this country. We have state socialism, all along the line—a totalitarian state. Nobody wants to conduct a business, because of the artificial barriers and burdens placed on wholesalers and retailers by the proposed measure and by the proposals to conscript industry and wealth.

The municipalities are starved to death by federal and provincial powers grabbing their revenues, and the time is coming when they will have no money with which to carry out some of their functions. There was established by the British North America Act overgovernment and overtaxation through a duplicate municipal system, resulting in a triple-header system of taxation, with dominion, provincial and municipal budgets. The government of the day comes along with a scarecrow programme, saying to the provinces and the municipalities, "We will take this tax and that tax from you. We will impose this regulation and that regulation, and take this and that away from you." The result is that the municipalities are starved and the taxes are unloaded on real estate. The municipalities cannot continue their work. There is a proposal to reconstruct industry, trade and commerce and our financial institutions in war time, and to conscript industry and wealth. If we do, we will kill our war effort, because the two industrial provinces which pay eighty per cent of the taxation do not believe in such a system.

Another matter the minister would do well to look into is the duplication of our railways. Why could not something be done in that regard to eliminate wastage, as has been done in Great Britain and in the United States? It is one luxury which we should not have. The minister is trying to get money from the taxpayers and from business men. There is no more money to pay taxes; heavy taxes are killing them. The small man in the industrial centres cannot live.

Great Britain has always protected Canada; she has never failed. Even to-day we owe to her our freedom from invasion. There is a great deal of talk in Canada to-day, but let me say that Canada is not going to be talked out of the British empire. Canada will have to be fought out of the empire.

I was surprised at the remark made yesterday by the hon. member for Selkirk (Mr. Thorson); it ill becomes him to sneer at those in the house or out of it who are standing behind the war effort. The hon. member has preached pacifism and isolationism in this house, and as late as March of 1939 he suggested that we follow a state of neutrality. I opposed his view in that regard—he is a respected gentleman and I do not wish to criticize him too severely. It was he who went to the assembly of the League of Nations only a few months before Munich, and it ill becomes him to sneer at those in this house and out of it who saw this disaster coming and urged upon the House of Commons and the country that we rearm and support the mother country all along the line. Had that been done, we would not have this resolution before us to-day—a resolution which involves the appropriation of over a billion dollars, being part of a total which will amount to three billions before we shall have finished.

I hope the minister will consider methods of reducing expenditures. We could eliminate a great deal of waste. For instance, the League of Nations has cost $4,500,000, and one gentleman said upon his return from meetings of the league that it was the most wonderful joy ride in the world. They come back here saturated with it. They get the virus in their systems, and throw it all over the country.

That is what is the matter with this country. The pacifists caused this war. There are many unnecessary expenditures. For instance, we spend money on useless legations. Why do we need a legation at Dublin? Why do we have to have a man who sits at a table with a representative of Germany? Moreover, Eire is not even a British dominion; it is neutral, and a republic. Why do we make expenditures of that kind?

There is one point on which I congratulate the minister, and that is the action of the press in explaining Canada's three billion dollar budget, because that is what the whole thing amounts to. I am sure the minister and the government must be pleased with the way the public press has put the appropriation bill before the public.

This is what has been said by Mr. Arthur Mann, who was at one time editor of the Yorkshire *Post*:

> The press is in a double sense an intermediary between the government and the public. It both provides a channel by which ministers can keep the electorate informed of their activities, and it also serves as a kind of barometer, from

which the government can gauge the feeling of the country. A press subject to official pressure will give a wholly false impression of public opinion. The correspondence columns of a great newspaper should indicate to the government what people are thinking, provided that the letters published are a true reflection of the letters received. A journal which refuses to publish letters in disagreement with its editorial policy is failing in its duty. In this connection the establishment of the ministry of information by the present government betrayed, in its original form, a lack of confidence in the ability of the press to fulfil its proper functions. The ministry was designed to act as a link between the government and the country, supplying the public with information and keeping the government in touch with popular feeling. Both these tasks lie within the province of the press and, if it has not always succeeded in performing the second satisfactorily it is perhaps the fault of those who would interfere with its independence.

We have set up here an information bureau, but it is a bureau which has no information, and might well be eliminated. In this connection I would like to pay tribute to the press of Canada for the manner in which they have handled the news of the past few months, particularly to that great newspaper, the Evening *Telegram* of Toronto, whose campaign to aid British war victims was such a notable success. The work of that newspaper has been of great assistance to those in authority, and to those who are carrying on war services. It is a work which in this hour has cheered the hearts of the people in the mother country.

The measure before the house raises the whole question of our contribution toward the campaign on land, on the sea and in the air. The defence of the realm at a time like this is of the utmost importance; all other matters are unimportant and secondary. The war is Canada's first and only problem. No one knows in what position our country may be at the end of this year. The people of Canada have been too complacent.

As there will be another opportunity for me to say something in this regard, and as other members will no doubt wish to speak, I shall take little more of the time of the house. I believe the minister himself appreciates what we owe to the British fleet. Were it not for the protection that the British fleet provides for the United States and Canada, the amount involved in this war appropriation budget would be considerably greater. As a prominent theologian, Doctor Percy Dearmer, said, the people of Canada will do their duty in the war. Referring to the empire, this gentleman said that Englishmen know the truth, that they feel in their bones the conviction that we owe all that we are to the reformation. From the moment that the reformation parliament of the sixteenth century got to work, England, which had been a remote little island at the edge of Europe, leaped up and became a great nation, a pioneer of religious freedom and political liberty, and there came the great blaze of Elizabethan literature and the flow of modern philosophy and science from which there has been no setback. The English bible is a bond of unity to all throughout the world who speak the English tongue.

Canada is not going to be talked out of the British empire; Canada will have to be fought out of the British empire. We can rejoice in the fact that what we have to-day in this country in the way of freedom we owe to the mother country. I only hope that the government will give heed to the handwriting on the wall, will do its duty and give Canada a real war administration. I realize that hard work is being done by the Prime Minister (Mr. Mackenzie King), his other ministers, the leader of the opposition (Mr. Hanson) and the leaders of the other groups to my left. I know what they have done to help the house transact its business. I believe it is the hearty desire of every hon. member that the war should be carried on to a conclusion. The only reason for recriminations and references to the past is to stir up action at the present time. After all is said, criticism is the tonic which urges governments to action.

Mr. A. W. ROEBUCK (Trinity): Mr. Speaker, each one of the speakers on the other side of the house appears to be adopting the plan of closing his remarks with a call for a real war administration. The suggestion is being made again this session, as it has been in the past, that certain members of the administration should resign in order that other strong men may be brought in in their places. That was the closing suggestion of the hon. member for Broadview (Mr. Church). There is something to be said for any proposal to strengthen anything. The problem of life is to gather strength, and if there is an opportunity to strengthen the government, let us strengthen it. No matter how good it is now, if we can make it better, let us do so.

However, I should like to see the members of the opposition demonstrate the bona fides of their suggestion. During the last session of the house someone said that if the government required strengthening, the opposition certainly required it much more. If it is proposed that members of the government resign in order that mythical men from the outside may come in, the opposition is in a position to demonstrate its bona fides by certain of its members resigning in order that these great men may be brought in in their places. This would show that hon. members opposite really mean what they are saying.

We would then have a chance to look over these men, and if they measured up, we might do something about it. But as long as hon. gentlemen opposite keep their seats and advise us to resign, they can hardly expect that we will take their advice very seriously.

The hon. member for Broadview suggested that something should be done in connection with the amalgamation of our railroads. Evidently the hon. member has not yet discovered that the only reason put forward in the past for amalgamation is no longer true. This year our national railway will operate for the first time without a nominal deficit. It has not had a real deficit for years, but this year—

An hon. MEMBER: What?

Mr. ROEBUCK: Some hon. member says "what?" Our national railway has not had a deficit for some considerable time. It has paid its operating expenses and has had a balance year after year for many years. The deficit which my hon. friends opposite talk about is caused by its inability to pay the interest on the accumulated debts of the privately-owned railroads which were combined into the national system, debts which had accumulated since confederation. At the present moment the Canadian National Railways is actually paying the interest on these debts, as well as its operating expenses.

I submit that our railways are of great advantage to this country. Canada would not be the country she is were it not for our railways. Amalgamation should be carried out only on the basis of necessity, and that necessity has now passed. There should be no further proposals to amalgamate.

We are here this afternoon to discuss the important proposals made by the Minister of Finance (Mr. Ilsley). Mark Twain, the famous humorist, in his book *The Innocents Abroad,* gives a list of adjectives which should be used when polite people are looking at a great picture, and suggests that a knowledge of these adjectives should be considered as part of a gentleman's educational equipment. There are fashions in phrases—very much so. There has developed in this house, and from the newspapers it would seem that there has developed also in the country, the fashion of talking about this war appropriation in extravagant terms. I have heard with regard to it such adjectives as "staggering," "stupendous," "astronomical," and so forth. A billion dollars is quite a sizeable amount, even if one disregards the $300,000,000 annex. It is more than the people of Canada have ever before been asked to advance. It dwarfs the figures of the last war. Yesterday the hon. member for York-Sunbury (Mr. Hanson) figured out that it meant $250 per head for the population of Canada. He said that we were prepared to carry through even if it took our last dollar. That is heroic, and I am glad to see that kind of resolution being shown by hon. members opposite and on this side of the house, but it will not take our last dollar. I am inclined to deprecate the extravagance of language which is being applied to this appropriation. It will not take our last dollar, and I do not like to see phrases used which seem to suggest the possibility of failure on our part.

The amount mentioned in the resolution is a very large sum, but it is not a sum beyond the capacity of the people of Canada to pay. With all due respect to those who seem to be nervous at the moment, in my judgment it is not a sum which should strike terror into the hearts of our financial leaders. It seems to me that the nervousness over this proposed appropriation arises from the fact that we are talking in terms of money instead of in terms of goods produced. That is why fear grips the hearts of many people and why we are wondering whether this effort will be successful.

Nearly all of us in this house lived through the last war and have vivid memories of the conditions which prevailed then. Most members will recall how Canada during that war emerged out of a period of severe depression into one of very great activity. The depression of 1914 lasted for some time into the war; then it mysteriously disappeared and Canada went to work. Yes, we did go to work. Hon. gentlemen will remember how we shipped goods across the sea to the utmost capacity of the ships that sailed the oceans. The bottleneck was not the producing power of our factories in Canada and the United States; it was the capacity of available shipping to carry the goods across the sea. We are talking now about borrowing money, but we did not borrow the things that we shipped to France to be boiled down in the cauldron of war in the struggle of 1914-18. We made them. We brought forward from the past scarcely a pound of food or a pound of wool. We certainly borrowed not one pound of powder from the future. We made these things from hand to mouth at the time and shipped them across the sea in greater quantities than Canada had ever produced or shipped them before. And this point I would like hon. gentlemen to note that while we were producing more than ever before and destroying at a rate that would have astonished us in years gone by, our working people were better fed, better clothed, better housed, and had more loose change in their pockets, than they ever had had in the years before or have had since. What is the explanation

of that anomaly? It lies in the fact that prior to the depression of 1914 the producing power of the Canadian people was lying idle, and it has been half idle ever since. Even to-day it is partly idle.

The Minister of Finance (Mr. Ilsley) has estimated the national income of the Dominion of Canada at five and a half billions of dollars, but that estimate is made during a period when Canada is partly idle, notwithstanding the expenditures that have been and are being made and the demand for our production. We are spending on war services, roughly three million dollars a day, the equivalent of $3 per day in wages of a million men; and yet the Minister of Labour (Mr. McLarty) in a recent statement declared that even to-day in Canada quite a number of thousands of employable people are still unemployed. The figure he gave—I am not sure of the exact amount, but it was a fairly big figure—did not include the men who have no work to do but have not registered at any relief office or done anything to call themselves to the attention of the authorities—those who are just getting by. Nor did it include, of course, those who are only half employed—and their number is legion. Nor did it include those who are unproductively employed. Nobody could count these classes I have named. It is quite impossible to get statistics with regard to them, but my thought is that if they could be counted they would number in the thousands. If under these conditions the national income at the present moment is to be estimated at five and a half billions of dollars, I suggest that if more favourable industrial economic conditions could be brought about and our population put to work, there would be no difficulty at all in adding another couple of billions of dollars to our total production.

Mr. ILSLEY: If the hon. gentleman will permit me, just to keep the record straight, the estimated national income for the next fiscal year is $5,300,000,000, not $5,500,000,000, and that contemplates the employment of, I think, two or three hundred thousand more persons who are not employed to-day.

Mr. ROEBUCK: I thank the minister for that further information, but I do not think it destroys the logic of my remarks. The minister's estimate is based on next year's production and includes the employment of quite a large additional number of men. But I am satisfied that even when these things have been accomplished, when this estimate has been justified in fact, the producing power of the Canadian people will not even then be anything like exhausted.

I have heard it stated, and I think it is probably true, that one factory, a large one in the city of Toronto, could make all the tires that are required for all the cars in the whole Dominion of Canada, and the others fight for their position in the sun rather than their producing position. And so with many other lines of production. If we called for production and let the producers free so that they could produce to their maximum, the producing power of the Dominion of Canada would be almost unlimited. Of course it is not unlimited, but it is very, very great. I deprecate, sir, the continuous talk about tightening our belts. I do not like that phrase. In my judgment it is a mistaken phrase, because what little we could gain by penury in the household, by saving and stinting, would be much less than would be gained by a little more endeavour in the matter of production. Instead of choosing the watchword of save and stint and spare, we should adopt the watchword of produce and then produce again and more production. Let it be noted that in order to get a maximum of production in our society, or any society like ours, your men and women must be well fed, well clothed and well housed. Your maximum results must not be achieved by economies where economies are not in order now. You can do far more by the very reverse.

According to figures which were produced in the house yesterday afternoon, already there has been a considerable improvement in Canada's producing power. The preliminary figures for 1940 indicate that Canada's national income was $554,600,000 higher than that of 1939. That is to say, although many people thought that we were working to our limit in 1939, the actual fact is that the production of 1940 was over half a billion dollars greater than the production of 1939. The national income per capita in 1940 is set tentatively at $402, as compared with $357 for the previous year. The production of the Canadian people has increased approximately $50 per capita in this past year—indicating, I suggest to the house, that a further increase of our producing power is by no means out of the question.

One would naturally ask, how can such better conditions be brought about? I do not know that I am prepared to act the Solon in that regard, but I think I can see some things we should not do. I can say how not to do it, if I cannot say very explicitly just how to do it. One of the things which I think this country as well as its rulers should ponder is that if you are to get a maximum of production from your people you must avoid to the very extent of your ability restrictive legislation. In order to obtain maximum producing power your producers must be free. Let me illustrate—perhaps not very well—

what I have in mind. When this war broke out the first thing we did, apparently thinking it necessary, was to restrict the travel conditions between ourselves and the United States. So did the United States; they thought they had to tighten up travel conditions from their country to ours. So we went on, on both sides of the line, to a system of passports and visas, exchange regulations and departmental interference, and we succeeded in tightening up—there is no doubt about that—so much so that we checked business as between the two great and neighbouring countries and went some distance towards ruining our tourist trade by too much restraint. I point this out because I want to emphasize the fact that restrictive legislation is a two-edged sword which cuts in both directions and is likely to destroy more than is gained by it.

Let me give another illustration. Canada has had some very sad experiences in high protective tariffs. We had the experimentation of the Bennett regime.

Mr. MacNICOL: The best the country ever had.

Mr. ROEBUCK: Well, the hon. gentleman must have been a beneficiary of Mr. Bennett's tariffs, but most of those who paid do not feel that way about it. The high tariffs of the Bennett regime were restrictive legislation carried to an extreme, and this destroyed a very large amount of the business and producing power of the Canadian people. Yet when we entered this war the first thing we did was to increase our tariff by ten per cent and abolish the free list. I am not saying we should not have done that, but I realize what its effect was. It might have been inevitable. It might have been necessary. But let us look at it and look it plainly in the face. We abolish the free list; we cut down our trade with our neighbours, and I am under the impression, Mr. Speaker, that we seriously decreased the producing power of our people.

The importance of trade restriction is, of course, very great. We have discussed it in this house for many years. It has been a subject of debate ever since I was a boy at school. But, almost equal to the evil effects of too high a restrictive tariff you get those deadly interferences with industry itself within the country—such, for instance, as the boards of control, and these individual controllers who boss industry in our country at the moment. Whether or not they have axes to grind I do not know, but I do know that you cannot have maximum production among business men and manufacturers and farmers and other producers while you attempt to interfere with and boss them and direct their efforts.

[Mr. Roebuck.]

My point is that if the Canadian people are to produce as I hope and expect and confidently anticipate they will during this coming year, the country and the government should realize that, to the extent of our ability in view of the war conditions under which we work, they should be left free.

Almost as important as free men and their ability to go to work is the putting to work of our natural resources. Both should go to work. Both must go to work if we are going to carry this load in ease and comfort. Let me give an illustration, not from our own community but from across the water—that is always safer, because you do not tread on any local toes. I hold in my hand a document entitled "Bulletins from Britain." It is published by the British Library of Information. It quotes Mr. Robert Hudson, Minister of Agriculture, who, it says, has just told the story of the successful efforts to revive agriculture in the homeland. It says:

> For a period of 20 years, after a brief revival in the last war, half the agricultural land in Britain has suffered a steady deterioration. . . . Over large areas fields were used merely as exercising grounds, the cattle on them being fed on imported foodstuffs; whole districts, once fertile and employing 40 men on every thousand acres, were without a single ploughman; staffs were cut down, drainage and hedges neglected, buildings allowed to fall into disrepair. . . .
>
> The government has made a survey of the entire problem, established agricultural committees in each county to visit every farm and determine what grass fields are suitable for ploughing.
>
> Already between three and four million acres have been ploughed, land that had been "lost" for centuries has been made fertile again.

This is not a new statement of fact: I have seen it from other sources, but this is from the Minister of Agriculture of Great Britain. One thing in the statement that strikes me is the utter waste, in the days that have gone by of the three or four million acres now ploughed, and another is the resolution which the British government is demonstrating in bringing these acres back into production. I am wondering how many lost acres there may be in the Dominion of Canada, how many natural resources such as these in England are lying fallow and unused; whether it would not be in order for the government of this country to make a survey of our natural resources and see that they too shall go to work. Not that they should necessarily be ploughed, because that applies to agricultural land alone; but of all our natural resources, those of the towns, those of the countryside, those of the forest and mining areas, how many are half used or not used at all, and how many should be used at this time when producing power is a term which everyone should use as a slogan?

The hon. member for Broadview (Mr. Church), in his speech yesterday, made this statement:

> Canada is a country with unlimited natural resources, an abundance of raw materials, a balance of idle labour and capital and the technical resources which can be drawn upon to increase production.

There are times when I do not agree with the hon. member for Broadview, but it seems to me that there he has stated a truth which is vital when we are carrying on a war of production. These natural resources in the hands of a free people are the implements of war which may win the present contest with the German dictator. It has been said, and I think truly, that this war will be won by an attitude of mind. It is clear that the burdens of the war, great as they are and will be, will not be carried indefinitely by the Canadian people any more than any other people unless they are carried with the enthusiasm inspired by a cause. Just the keeping of the German wolf from our door, just holding the Maginot line of democracy-static, is not good enough. We must do more than that. If democracy would be militant it must be on the march, not standing still or holding a Maginot line. It is a mistake to think that our reforms and reform efforts can stand idle and fallow until after the war has been won. With the close of the war will come disillusionment and frustration and the problems of the post-war period. It is a mistake to turn our minds from all social and economic reforms and let them lie fallow until the war has ended. It is positively necessary, that we show to our own population and to the world that freedom has more to give to the individual than has Hitler, and that we hold before our eyes the goal of free men, the vision of a better and kinder and more prolific world in which to live. There is no better time than now for considering some of the things, upon the road to which we have already travelled a certain distance.

At the first session of this parliament we enacted an unemployment insurance measure. It was a grand measure, one of the finest pieces of progressive legislation that has been enacted since the Labour department was first organized. It met with almost no opposition. It will in all probability bring a very great deal of humanitarian good. But why pause? If we are a democracy fighting for the right to improve our social conditions, this is not the time to pause. In the Sirois report was a recommendation for unemployment insurance. But there was a further recommendation that the dominion government should have the constitutional right to enact laws for minimum wages and maximum hours, and to set the age for employment. Why should we not use this occasion to clear away the constitutional obstructions in the way of our passing a minimum wage law applicable to all Canada? Why should we not clear the way for the enactment of a maximum hours law, at this time when everybody is busy and such laws are in the people's minds? Why should we not now give ourselves the right to set the age of employment? Why should we not demonstrate to the people whom we are asking to support this great war effort that we, the democratic House of Commons of Canada, are interested in their social welfare and that we are on the march? Democracy no longer static; democracy moving forward!

There is a certain challenge, Mr. Speaker, in this war resolution. There is a challenge to us to meet this demand which for the present is for $1,300,000,000 to meet it with both courage and intelligence—courage to face the task which is now presented to the Canadian people and intelligence to carry out that task successfully.

There are three thoughts I would like to leave with hon. members in closing these remarks. The first is that more important than almost everything, certainly everything economic, is the positive necessity of winning this war. I need not elaborate that statement; it would be futile to argue it, but first and foremost the requirement placed upon the shoulders of all of us is to win this war. Secondly, to defeat the armies of slavery we must preserve the freedom of action of our own people; freedom to produce—elbow room, if you like—and therefore freedom to fight. The third thought I have partly expressed already. If democracy is truly to win this war, democracy must strike its tents; it must be on the march. It must march in freedom to a better freedom. It cannot be static. We must march forward with our heads up and our banners flying if we are to carry our people with us triumphantly through the difficulties of this war. This, Mr. Speaker, is a war in which victory must be won by the heart as well as by the head and the hand.

Mr. H. C. GREEN (Vancouver South): Mr. Speaker, earlier this afternoon the house seemed to be sailing into somewhat stormy seas. However, the winds—and I use that word advisedly—have now subsided and we are in smooth waters once more. Under such favourable conditions I hope to place before you to-day one proposal which I believe would be of great help at the present time. I should like to give my reasons for this proposal rather carefully and deliberately and perhaps not as briefly as I might do in other circumstances.

As hon. members know, the resolution under debate precedes an appropriation bill which will provide $1,300,000,000 for war purposes during the next fiscal year which ends March 31, 1942, and the Minister of Finance (Mr. Ilsley) stated that even this sum might not be sufficient. This amounts to over three and one-half million dollars a day. But the minister went on to warn us that he would require $400,000,000 for the repatriation of Canadian government securities held in the United Kingdom, the money to be spent in financing United Kingdom purchases in Canada. This means more than an additional one million dollars a day for the period of the next fiscal year. Then the minister went on to warn us further—and he was quite right in doing so—that we would require $433,000,000 for dominion non-war expenditures, which again means over one million dollars a day. This makes a total of over five and one-half million dollars a day to be paid by way of taxes or loans to the Canadian government by the Canadian people. Then, as a final blow, the minister said that the provinces and municipalities will require from the Canadian people another $575,000,000. All this constitutes a very, very severe test for the Canadian people. It means sacrifices, great sacrifices; it means a lowering, and probably a drastic lowering, of the standard of living of our people.

So much for the situation here at home. Now let us look abroad. A few weeks ago Hitler and Mussolini held a conference; they seem to be holding more conferences now that things are not going quite so well for them. From this conference there came to the peoples of the world, and in particular to the people of the British empire, this message: "The world stands on the brink of historic events. We will bring the British empire to destruction in 1941." Let there be no mistake about what we face, we who belong to the British empire. Just four days ago, when the house reassembled, our own Prime Minister (Mr. Mackenzie King) warned us most clearly and quite properly of probable German and Japanese attacks. Then he used these words, which appear at page 809 of *Hansard:*

> In the present circumstances it is more than ever necessary to steel our hearts and minds to the magnitude of the effort, and of the sacrifice, that will be demanded of us over a considerable period of time and, in a special measure, throughout the next few months.

There can be no doubt whatever that the Canadian people are about to go through a very, very severe testing time, probably the most severe in the history of Canada. I hasten to say that I believe Canada will come safely through that test and will emerge a finer nation, principally because of the courage, the faith and the good sense of Canadian men and women. But nothing would be of greater help to the Canadian people than that we, their representatives, chosen less than a year ago, should so carry on that they may have the utmost confidence in the Canadian parliament. Far more confidence in parliament is necessary now than in peace time. Our problem in this House of Commons, and the problem of the ministry, is to gain the complete confidence of the Canadian people.

We have just returned from our constituencies. I have just returned from the Pacific coast. We have been in touch with the people we represent; we have been in touch with the nation, and I doubt whether any member of this house would deny that at the moment neither the House of Commons nor the ministry enjoys the complete confidence of the people. Certainly they do not enjoy any more than the confidence which normally would be felt in a peace-time government; and that, Mr. Speaker, is not enough under present conditions.

Mr. MUTCH: It is not true, either.

Mr. GREEN: It may not be in your riding, but I am doubtful.

Mr. BRADETTE: It is not in mine, either.

Mr. GREEN: Why should that be? I believe that the private members who, after all, are the back-bone of this house, are striving to give the type of leadership required, and I know they are capable of doing it. But we are so organized here, we have been handed down such a parliamentary organization, that it is very difficult to gain the complete confidence of our people at this time. They, the Canadian people, realize the awful crisis facing them. The Minister of Finance put it clearly when he said on Tuesday, as reported at page 824 of *Hansard:*

> We are asking the house for this appropriation because we recognize the fact that propably this will be the most critical year in the history of civilization.

Yes, "in the history of civilization"—and he is quite correct. Our people realize the situation; they realize they are facing a crisis. They know it, because they are sending away their sons, their husbands, their brothers and sweethearts. And, saddest of all, children are sending away their fathers.

The Canadian people have always been somewhat distrustful of political parties, as such—and of all shades. That includes the Conservative party, to which I belong, as well as the other parties represented in the house.

In my opinion, the people are fearful that party politics and party welfare—not restricted to any one party, let me emphasize—are influencing or are apt to influence the deliberations and decisions made in the house. That distrust is deepened by each partisan speech made in the house. Every time a dog fight between parties takes place in this chamber, that distrust deepens. We just about had one this afternoon. It is confirmed time and again in British Columbia, and I have no doubt in the other provinces of Canada by the actions and the talk of the government hangers-on. Probably we would have the same condition if the Conservative party or any other one party were in power.

I do not blame the ministry. I blame the hangers-on, who are out across the country. I am afraid it is impossible, under our present organization, to shake them off. There is no enthusiasm for action taken by this ministry to-day. There will not be enthusiasm, unless some change is made right here in Ottawa. It may be difficult for the ministry sitting here in Ottawa to realize the truth of that statement. Ottawa is a very poor place in which to get a realization of what is going on in other parts of the country. But that situation, in my honest opinion, does exist to-day, and I have reached the conclusion that with the house organized on a strictly party basis, as it now is, it is quite impossible to increase the confidence of the Canadian people either in the ministry or in the house, and that there is far more likelihood of there being a decrease in such confidence, as time goes on.

The Canadian people are sound in believing that in a crisis of this kind the House of Commons should not be carrying on the business of this country on a political partisan basis because in this war, as everyone in the house knows, there is no real issue between the parties. We have one aim. We have a common aim: To win the war, and to win it just as quickly and with as little suffering as possible.

Further, each member in the house knows that if we do not win the war there will be no further need to worry about parties or parliaments; for they, along with all other democratic institutions, will have been liquidated, and the freedom of the individual Canadian will be a thing of the past.

We have moved into a new world, a tougher world, and we must meet these new conditions with a new type of parliament. Great Britain did it, but did it only under compulsion and in the face of imminent invasion. The time has now come for Canada to do the same thing. I implore members of the house to realize that fact. It should be done quickly, before the blitzkrieg comes. We know a blitzkrieg is coming. The Prime Minister has told us; we have been told by others, and it is only reasonable to expect that it will come. The change will have to be made then. I ask the house and the people of Canada: Why wait? Let us do it now so that we will be organized to meet this thing which is rushing up to strike us.

There are different ways of changing the methods of the House of Commons. There are different ways of adapting them to meet the rapidly changing world conditions. I do not pretend to have the only way or even the best way. But I would ask hon. members to consider the whole position, and to think of ways by which we can bring our Canadian parliament up to date.

I propose that the Prime Minister form a "victory" ministry—I repeat, a "victory" ministry, in which the members of each party in the house, Liberal, Conservative, Cooperative Commonwealth Federation and Social Credit, would have direct representation. The Prime Minister had the right idea when, on September 12, 1939, during the first war session—over seventeen months ago—he made this statement, as reported at page 157 of *Hansard:*

> So far as I am concerned I look upon myself to-day, with all due humility, much more as the leader of all parties in this country united in an effort to do what we can to preserve and defend the liberties of mankind.

Those were noble words. I was inspired by them, and I think every other hon. member present on that occasion was so inspired. In my opinion, the Prime Minister meant what he said. Obviously, at that time he thought it would be possible for the ministry of the day to obtain the united and whole-hearted support of the Canadian people, despite the fact that it remained a strictly one-party ministry. For the sake of Canada I hoped he was right. But events have proved that it was a case of expecting too much. Happenings in this chamber this afternoon have proved that fact. We need not go any farther back than to-day's sitting of the house. It is now clear that enthusiastic and whole-hearted support cannot be obtained from our people for a House of Commons or a ministry organized as is the present one.

I propose, further, that such "victory ministry" should invite suggestions and constructive criticism from all private members in the house. In other words, let us make this a real parliament. Let us make it a gathering of the representatives of our people. To-day Liberal private members cannot readily suggest or criticize in the house. In practice, they are confined to suggestions in caucus, a secret meeting. They are deprived of the

unrestricted liberty of placing their views before parliament, and thereby, before the people of Canada.

Mr. TURGEON: Nonsense.

Mr. GREEN: Not entirely, perhaps; but everyone who is honest with himself must admit our procedure here is such that it is very difficult for a private member on the government side of the house, no matter which party might form the government, to express his opinion in the chamber. We have to consider things as they are to-day, not as they were five years ago or fifty years ago. Our present situation is that in this nineteenth parliament about two-thirds of our membership are forced to be silent.

Mr TURGEON: That is not so.

Mr. GREEN: It means, too, that about two-thirds of the ability of the house cannot be put to full use. I have said two-thirds of the ability of the house; perhaps it is more than that. I do not think so, but it is at least two-thirds of the ability of this house. And it means something still more serious. Two-thirds of the people of Canada are unable to have their views made known in this Canadian House of Commons under our present set-up.

Someone may say that if these proposals are followed, there will be an end to criticism. I suggest that if they are followed, the country need have no fear whatever of there being a lack of effective criticism in this house.

In conclusion, may I say that I realize to the full that changes of this type are difficult to make, difficult for the government, for the official opposition and for the other opposition parties. But I do throw out the challenge to hon. members. I believe that if we change our way of carrying on the government of this nation, we can gain and retain the complete confidence of the nation, just as that great man, the Right Hon. Winston Churchill has done in Great Britain. We have been elected since the war started; we have been elected to lead our people through this war, and I am convinced it can be done most efficiently by making the changes I have mentioned. And I am convinced that the effect upon the war effort of the nation and upon the spirits of our people would be astounding.

Mr. GORDON GRAYDON (Peel): Mr. Speaker, I had not expected to take part in the debate at this particular moment, but I believe that you and the house will agree with me when I say that the people generally, and certainly the member for Peel, are not used to such staggering appropriations as are proposed to be made by the bill to be based upon this resolution. So far as this war effort is concerned, we are dealing with millions, yes, with billions, but sometimes these amounts are not reduced to figures which the average man on the back concession and on the street corner can understand. To many people the difference between a billion and a million dollars loses its significance. The bill to be presented will provide for the collection from the people of Canada and the spending of $2,600 per minute of every working day as well as Sundays throughout the next fiscal year. The Minister of Finance (Mr. Ilsley) stated that we may have to go further than that, that we may reach the staggering expenditure of $4,200 per minute. Such figures as these give us some conception of what the war really means to every one of us.

There has been criticism in the press and throughout the country generally of the government and of the opposition parties as well. There is a duty and obligation resting upon the official opposition and the other groups opposed to the government. In order to fulfil our duties as citizens and members of parliament it seems to me that we must be relentless in our constructive criticism of the government and of the manner in which every five-cent piece is being spent in this war effort. What I say this afternoon by way of criticism of the government is simply the carrying out of what I think is the imperative obligation resting upon each one of us, whether he be a member of the government or a member of the opposition.

I ask hon. members to go back to the days when Winston Spencer Churchill was one of the leading opponents of the government in the British House of Commons. Hon. members need go back only to 1936. I dare say that there never have been uttered in this House of Commons words as condemnatory of the government as those used by Mr. Churchill in an attempt to awaken the government of Great Britain to greater action. To-day that gentleman is not a member of the opposition, he is not only the Prime Minister of Great Britain, he is the oustanding public citizen of the world at large. When we criticize the government let us always remember that we have a function to perform as watchdogs and auditors of the treasury of Canada.

What about the duty of the government? I am not suggesting that they do not conceive what their duty is, but one of their duties is an all-out prosecution of this war. Nothing less than that is good enough for Canada and the Canadian people. I implore and plead with the government, the Prime Minister (Mr. Mackenzie King), and those associated with him, to see that every dollar of this appropriation is sent into channels which will provide an all-embracing prosecu-

tion of the war in order that no question as to its adequacy may be raised in any section or by any class of people in the dominion.

But the government must go farther than that. It has not always carried out its logical duty and obligation to the Canadian people since this war started. I say that in a constructive way, but I hope a lesson will be taken in the future from what I say. The Canadian people want to be told more about the manner in which these tremendous appropriations are being spent. They want to have more than a general statement that money is being used for the army, for the navy, for the air force or some other important branch of our public service. The Minister of Finance cannot render a greater service to the people than by giving a proper and detailed accounting. The people of Canada will then have the confidence in the government of which the hon. member for Vancouver South (Mr. Green) spoke a few moments ago.

I should like to refer to another matter brought up by the hon. member for Vancouver South, the abolition of partisanship in connection with this war effort. This matter has been referred to so often that perhaps it is not necessary to speak of it at this time. Above all things that we ask, above all things that we demand of the government today, is that they give the Canadian people at least something similar to that kind of leadership which is being given in Great Britain, yes, and in the United States which is not even in the war. Surely we have a right to ask that of the government. We have a right to ask that we be given that kind of leadership so that when the foremost men of this country go on the air, appear on the public platform or make statements in the press, they will grip this nation and bring it to the point where the spirit and hearts of the people will be in this war to its ultimate and logical conclusion.

Without wanting to be harsh in my criticism, may I say that I do not think there are many people in Canada who will not aim some criticism at the government on that score. It may be that this is not possible because we operate under a party system. If it is not possible for that reason, then let us abolish our present system and bring our war effort to the point where the Canadian people really believe it ought to be. Let us consider some examples of the leadership which has been given by this government since the war started, and perhaps more recently since the present parliament opened.

Certainly there is the feeling in the minds of many people in this dominion that there has been a distinct lack of planning in our war effort. You see that statement in the press, and you hear it made all over—that from the very beginning of the war there has not been the real kind of planning that is so essential not only for its successful prosecution but in the interests of our general war-time economy.

Let me speak for a moment about economy in non-war expenditures. The Minister of Finance made only a short speech, and I commend him for that because if there is one thing about the Minister of Finance that I cannot criticize, it is that he always gets to the point when he makes a statement. I hope that habit will spread to the rest of the cabinet. I was not looking at the Minister of Justice (Mr. Lapointe) because in his statements he is even briefer than the Minister of Finance.

In one pungent part of his address the Minister of Finance made this statement, and we all agreed with every word of it. He said on February 18, at page 824 of *Hansard:*

> I need not say that to carry out the war programme for which we are asking the house to make provision will tax Canada's productive capacity to the limit, will necessitate a continuing and more rapid shift from peace-time to war-time production—

I ask hon. gentlemen to pay special attention to the following sentence:

> —and will require for many of us drastic changes in our mode of living and habits of life.

Those are grand words, and I would say that never since Canada became a nation has there been throughout this whole dominion a more earnest and a more active desire on the part of the average citizen to make the necessary sacrifices, yes, even the drastic changes in our mode of living that will be necessary in order that the money may be raised to continue to prosecute our war effort. But is it too much, Mr. Speaker, to ask for some leadership in this direction from the Minister of Finance himself? Is it out of place for the people of Canada to ask that the government should give leadership in changing drastically the habits and modes of their lives as administrators for the Dominion of Canada?

But I look over the estimates for the coming year and what do I find? I hoped that when the Minister of Finance talked about requiring fifty per cent of the national income for war purposes, he had in mind doing something in that regard with the estimates. But perhaps he was a little too brief in his argument before the treasury board; for I find that the only reduction in the current estimates is that the amount this year is $433,000,000 as compared with $451,000,000 last year. That figures out, on a percentage basis, to only a four per cent reduction, and if you leave out of account the

absence of any amount required for the Canadian National Railways, which so far as this government is concerned may be regarded as an accident, the reduction is only one per cent. Surely the Minister of Finance did not have in mind that kind of drastic change in the habits and modes of life of the people of Canada, because I can tell him that there are in Canada, and in my riding particularly—and I was glad to hear a member to my left say something about this—working men who in their factories, in the war savings campaign. have regularly subscribed to the extent of one hundred per cent of the personnel.

In many factories the entire payroll of employees has pledged its support, and that means much more than one or even four per cent of their wages. Contrast that with a reduction of only four per cent in the estimates. I was hoping, and I say this in no spirit of carping criticism, that the government would in the estimates themselves give some kind of leadership to the people of Canada as an example of what the government expected of the average citizen in furtherance of our war effort, many of whom are contributing from their own pockets a much larger percentage than one or even four per cent of their weekly incomes.

Turning to another subject, the problem of agriculture is more clearly before the minds of the people of Canada to-day than it has been in the last fifty years of Canadian history. There must be many members of the house who know what the ordinary man is saying about agriculture to-day. Yet we have sat in the house from Monday, when the session was resumed, until Thursday, and not a word has been said by the government as to what it proposes to do to solve the agricultural problems of Canada as a whole. Where are the members of this house? Where is the government? Where is the Minister of Agriculture (Mr. Gardiner)? Have they nothing to say on a problem that looms so large in Canadian economy as agriculture? But, you may say, this is purely a domestic peace-time problem. I deny that with all the emphassis at my command. Perhaps at one stage in our history agriculture may have been regarded as a domestic and peace-time problem, but to-day, whether you recognize it or not, the whole industry of agriculture is tied up with the efficiency of our war effort. Surely the government have not forgotten that not more than two or three weeks ago there were meetings of agriculturists interested in all branches of agriculture in this dominion who, by resolution and otherwise, pleaded with the government for some real approach to a solution of the problems not only of western agriculture but of eastern agriculture as well. Those resolutions must have been forwarded to the government and considered in cabinet council. Surely the government must know that there is not a moment to be lost in dealing with the present-day problems of Canadian agriculture.

I wanted to say to the Minister of Agriculture, who I am exceedingly sorry is not in his seat—and on that account I may curtail what I had intended to say—that it is time we had a full-time dominion minister of agriculture. I am not suggesting for a moment that if the government believe the present Minister of Agriculture is good enough, he should not be left there. But at least give him a chance to give his undivided attention to agriculture, rather than dividing his attention between two portfolios in time of war. Either the ministry of national war services should not have been set up as a separate ministry, or else it is of sufficient importance to require a separate minister. A full-time minister of agriculture is one of the things that agriculturists all over the dominion are demanding of the government.

I know personally something about the situation of agriculture. The Minister of Agriculture was kind enough to say that by no stretch of the imagination could I be called a farmer. I retorted in kind during the last session, and I repeat it now. But at the same time I will take a back seat to no one in this house in my interest in agriculture and in my endeavour to do something for the agriculturist in my section and in every part of this dominion. First, he receives low prices for his produce; second, he pays high prices for the things he has to buy. Further, there is to-day available very little farm help which is really good. The scarcity of farm help is not a matter of wages; it is difficult to get farm help even if the highest rate of wages prevailing at the time on the farm is offered.

In view of this disparity between receipts and payments, the problem of farm help and wages, and the general situation as regards farming, it is not much to be wondered at that there was an uproar from one end of Canada to the other when, not so long ago, the dominion government decided to peg the price of butter. It may be all very well to argue that from a technical point of view there was some justification for pegging the price of butter; but the average farmer believes, and I am inclined to think he is right, that if you are going to put a ceiling on the price of one of the major products of the farm, there is no reason under the sun why he cannot properly ask that the prices of the commodities he has to buy, which are going up in price, should also be pegged to a ceiling. That applies to everything he has to buy, from his fertilizers to his concentrates; yes, and his

groceries and meats are going up without any limit. The situation has become so serious—I often wonder whether we realize how serious it is—that certain provinces of the dominion have had to step into the breach because the dominion government would not do so. Surely we should have some kind of leadership which would not leave the whole problem of dominion agriculture to the provinces alone.

I make this suggestion to the government, although I think it should have come from the government, and I am amazed that they did not put it forward as soon as they came into this house last Monday. In view of the seriousness of the agricultural problem, affecting as it does the whole nature and extent of our war effort in Canada and our help to Britain, a select special committee on agriculture of the House of Commons should be formed by the government and the whole matter brought before that committee, in order to see whether some solution cannot be found of one of Canada's major problems. I hope this constructive suggestion will be adopted.

Since we left here last December there has been a conference.

Mr. HOMUTH: Just the start of one.

Mr. GRAYDON: The hon. member for Waterloo South (Mr. Homuth) says they just got started. I did not happen to be here when the conference was going on. I read something about it, and I was not very much astonished that it did not go further. One of the newspapers referred to the Sirois report as "the dominion government's baby." I am not going to discuss that point because I have no knowledge of it; but if it was the dominion government's baby it did not have a very good start in life. First of all, both its parents were Liberals. In addition, it was brought into being in a Liberal household, and tended and nursed by Liberal doctors. During its frail life it showed signs of an early demise, until it met a violent death at the hands of another Liberal in its own household. More than that, when finally the baby was buried there was a private Liberal funeral; none of the neighbours were invited in. The only difference between the private funeral in this case and an ordinary private funeral is, that the neighbours had to be brought in to pay part of the bill, and it amounted to over half a million dollars. With regard to the Sirois report, whether it was good or bad, there was a lamentable lack of leadership as far as the Liberal party, dominion and provincial, were concerned.

At the end of this conference—and this is the only reason why I have brought up the matter—the Minister of Finance (Mr. Ilsley) made some sort of threat. It may not have been exactly a threat, but in any event it looked suspiciously like one at the time. Maybe he felt justified in making it, but I think he should not have lost too much time in clarifying his meaning. At the end of the conference he made the statement that there was a possibility, in view of the report not having been adopted or any agreement reached upon its provisions, of an invasion, in some directions, of provincial fields of taxation.

It seems to me that the minister owes it to parliament to clarify as quickly as possible what he really meant by "an invasion of provincial fields of taxation."

Another angle I want to touch upon while I am speaking about the failure of leadership on the part of the government, is the matter of taking the census in Canada. It has been mentioned before, and I do not want to labour the subject. But I should like to point out what I regard as a cogent consideration. If the census is a peace-time affair, I think we should not have it at all; but if it is a war-time measure, then by all means let it be done on a non-partisan basis. Unless my recollection is entirely wrong, I remember the Prime Minister rising in his place and saying, in one of his blazes of oratory—and it was an excellent speech—that as regards the war effort of Canada, there would never be the slightest flavour of partisanship as far as he was concerned. I believe he even dared his own supporters—and as I recollect it, some of them accepted the challenge—to banish partisanship as long as he was head of the government. Well, we do not object if it so happens that all the best men for cabinet timber belong to the Liberal party. Let them carry on the war and war-time activities. I am not going to object to that. But when it comes to the question of a war-time measure such as the census—and it must be so regarded or it surely would not be carried on—let us have it on a non-partisan basis, the same as in national registration.

Let me at this point bring up this business of national registration. Many people are wondering about it. I remember the Prime Minister, when the national resources mobilization bill was brought in, saying in this house—I thought he overdid the point a little—"I would to God that we had power tonight to deal with the matters which this bill envisages." Well, the power was given him on that June night. In August that registration was taken. I believe a good job was made of it, and I am making no objection at all to that. The difficulty is that it has been used for one thing and one thing only, which is to separate men of twenty-one to twenty-four years old from the rest of the population and bring them into the thirty-day training camps. I believe we expected more than that from

the government. I do not think there is one hon. member who did not expect we would get more than that. I thought we were at last going to mobilize everything in Canada for this war effort. Yet I see it will be April 1 before they have counted the cards down here in one of the buildings that they have for that purpose. That is not good enough leadership in time of war. We may put up with these things in time of peace, but I suggest that if we are ever going to win this war we must adopt a different scheme and different strategy.

Then I heard the hon. member for Broadview (Mr. Church) make some reference to the bureau of information. I do not know who gets out the information supplied by that bureau; I do not know anyone connected with it. Some of the information the bureau sends out may be good stuff; some of it is important; but as the hon. member for Broadview said, there is a lot more bureau than there is information. I just picked up this morning my bulletin from the Department of Munitions and Supply. Is this an example of the leadership we are to expect in this war? It is dated Ottawa, February 15; we did not get it too early, but the news of February 15 may still be important. It reads:

> Apparently some 147,000 hens are valiantly at work in the national service striving to meet the daily needs of the forces, according to an announcement made to-day by the Department of Munitions and Supply, which stated that 8,818,896 eggs were purchased during the last quarter.

It may be all right to mobilize the hens after we get the rest of our resources mobilized, but we should put some other first things first. I suggest that the government look into the whole matter of this bureau of information and other departments of government and see whether we cannot have more of our material resources mobilized and put in shape for our war effort before we bother with the lowly hen, who is going to lay eggs anyway regardless of the bureau of information. I see the hon. member for Halton (Mr. Cleaver) looking interested; he has some hens that are even as good as those we have in Peel.

I am sorry the Minister of Trade and Commerce (Mr. MacKinnon) is not in his seat this afternoon. I know he is a busy man; he will be excused by everyone. But not very long ago he conducted a trade mission to south America. The resolution of the Minister of Finance indicates that this $1,300,000,000 is required for many things, including the extension of trade. Without further delay we should have some real report from the minister as to the success of that mission to south America. I have seen many criticisms with regard to the mission and the way in which it was carried out, and more particularly in one of the financial papers to the effect that one great south American country did not receive the same treatment so far as trade concessions were concerned as was received by Argentina and Brazil. I think the minister should without any delay acquaint this house and the country at large with what we may expect in the days ahead by way of trade with our great south American neighbours.

I close my rambling remarks this afternoon by simply making this suggestion to the government. After all, whether we are ordinary citizens or members of parliament, there is not one of us whose heart does not bleed for the sufferings and privations endured and the cruelties inflicted upon the people in the motherland. Those people who are going through those hardships are not strangers; they are our own people. It is not of the men in the armed forces that we think entirely; they are prepared for hardships and sacrifice, but it is the women and children, the aged and infirm who have had to bear the brunt of the damage and hardship and such ruthlessness as we never thought in years gone by would be possible at the hands of a neighbouring state. While at the moment we are safe and secure on these shores, in all our deliberations and in all our war activities and legislation, let us bear in mind that our first aim should be to do all we can for those men and women over there who are holding the front line for freedom and righteousness and Christianity. Our job is to back them up to-day as never before.

O, how the words of the Prime Minister of Great Britain ring in the ears of every Canadian! Speaking of the tremendous achievements of the Royal Air Force last September, he said:

> Never in the realm of human conflict was so much owed by so many to so few.

So, whether we be government men or opposition men or to whatever group we belong, let us stand together as Canadians and Britishers in this great combat and take as our watchword the words of that great leader of the British people when he said:

> We shall go on to the end.

Mr. J. H. BLACKMORE (Lethbridge): It seems to me that before this debate closes, there are one or two things more which need to be said. I should like to commend the Minister of Finance (Mr. Ilsley) for the work he has done up to the present time. Under the system of finance which he is following, I would say he is doing a good job; he is holding prices steady; he is holding

interest rates down; he is finding a good deal of money for Canada's war effort, and as far as I can judge, he is building up our war effort rather satisfactorily.

It must, however, be apparent to everyone in Canada—and that the minister should frankly acknowledge—that this great sum of money is not going to be taken from the people entirely by taxation or by borrowing from the people's savings, but that a very large percentage of this great levy is going to be obtained by the direct creation of new money.

Mr. ILSLEY: I do not agree with that at all.

Mr. BLACKMORE: The minister thinks that will not be the situation. Then he is very optimistic. I submit that, long before this war is even at its climax, every thinking person in this country is going to confess and freely acknowledge that money is being created. Even the leader of the opposition (Mr. Hanson) yesterday, as I shall show later on by quotations from his remarks, inferentially and by implication acknowledged that money is being created.

The one great fault we have to find with the minister's outlook on the situation is that apparently he takes the attitude that all the money which is going to be used for financing this war, not only this year but perhaps five years from to-day, must be raised either by taxation from the people's earnings or by borrowing from the people's savings.

I think the time has come when we should define this matter quite honestly. I believe the very best and most orthodox minds, to use the terminology of the minister, are beginning to reason in some such way as this: Two billion dollars this year; two and a half billion dollars next year; three billion dollars the year after! Where in the world is the money coming from, and how in the world is Canada going to pay back this money? I believe the minister is very close to a climax, a crisis; for I have heard several times already, from rather responsible people, this reaction, that they are never going to get their money back. They are afraid there is going to be inflation, and they are alarmed because of various other considerations. I wish to make it quite clear right now that the people of my movement, the social credit movement, are just as enthusiastic about winning this war and just as determined to win the war, as any other people; but they believe the time is coming, in this age of abundance, since our opponents are fighting the war on the basis of goods and resources, when we also must begin to fight on the basis of goods and resources.

Mr. ILSLEY: Which we are doing.

Mr. BLACKMORE: That is very fine; I am glad to hear it. The trouble is that when the minister makes that statement, he puts himself, I believe, in a very inconsistent position.

Mr. ILSLEY: How?

Mr. BLACKMORE: I think I may be able to show that in a little while.

I should now like to turn to the remarks of the leader of the opposition yesterday in order to indicate the general confusion that seems to be abroad in the land. I have considerable respect for the leader of the opposition. I think he does about as well as he could, having nothing but orthodox financial principles on which to base his reasoning, so when I quote his words I do not wish anyone to suppose that I am seriously condemning him. At page 832 of *Hansard* he first used the word "inflation" when he said:

> It is assumed that inflation in any form is definitely barred, notwithstanding what some people may have said recently, and to that decision I am not, at the moment at least, taking any exception.

Here let me say definitely, once and for all, that the social credit movement is not standing for inflation in any sense of the word. If the Liberal party, the Conservative party and the Cooperative Commonwealth Federation would just take that simple fact from me, who should know, then we would avoid a great deal of aimless, confusing discussion in future and would be able to devote our attention to the real question at issue, which is, what is inflation? Then the hon. gentleman went on to say:

> Inflation as a means of financing this enormous programme at this time would, in my opinion, be a false move.

I entirely agree with that statement. I would be one of the last men in Canada to advocate inflation in any sense of the word. Certainly it would be destructive. But there is some confusion as to the real meaning of the word "inflation", and it is with that confusion that I propose to occupy myself for a few moments. The leader of the opposition went on to say:

> Later on, when other sources have dried up, we may have to come to a measure of inflation, but we have not yet reached that point.

I think the hon. member for Acadia (Mr. Quelch) made reference to that statement. To the monetary reformer, to the social crediter, the statement of the leader of the opposition as contained in those words is very, very foolish. You may expand money with a measure of safety while our resources of men and material are not yet fully used,

but by and by, in the course of the war effort, when our resources are being fully used, any expansion of money except that which is most carefully managed is likely to produce ill effects. The fact is that if there is going to be an expansion of money, which I take it the leader of the opposition had in mind, the time for that expansion is in the early stages of the war in order to build up the productive and consumptive power of the country to a level which will enable it to stand the strain and the shocks which are to come.

I should now like to quote another short passage from the speech of the leader of the opposition, appearing at page 834 of *Hansard*:

Every time a bank subscribes to a government loan additional deposits are created, and that increases the total volume of purchasing power available. It is from this multiplication of purchasing power that the danger of inflation chiefly arises.

I submit to hon. members that in this second passage the leader of the opposition must have been using the word "inflation" with a meaning different from that with which he used it in the first quotation. In the second instance I take it—he may correct me if he sees fit—that he meant a rise in price, a surplus of purchasing power beyond the goods and services which exist in the country, whereas in the first instance apparently he meant the issue of money, because he said this was the wrong time for inflation. If he meant a rise in price, it is well for him to bear in mind that such a rise has already commenced in Canada, and consequently there is a measure of inflation at this moment. I think the leader of the opposition will realize that there is some inconsistency as between those two statements; and again may I assure him that I have no desire to find fault. I am very anxious that we all get to understand just exactly what is in each other's mind; for the members of this house and the people of this country do not disagree as to the winning of this war. Some of us think we can do better by one particular device; others do not agree. But perhaps it will be found that these monetary reformers have something of great value, something to which the country is going to be forced—and perhaps at a time when it might not be able to adjust itself to any measure which might be adopted.

May I read another passage from the speech of the leader of the opposition as reported at page 835 of *Hansard:*

It is apparent, I think, that in a new country like Canada, where there is not nearly as much invested or accumulated wealth as there is in Great Britain, where we have always been considered a borrowing country, our effort cannot be comparable with theirs.

[Mr. Blackmore.]

May I interject the remark that to a monetary reformer that is sheer nonsense. I think I shall show from words uttered in our banking and commerce committee by the governor of the Bank of Canada that it is sheer nonsense; for this good man apparently looks upon wealth as being money saved up and invested. As a matter of fact, real wealth is productive power, or actual goods and services ready to be used, whether in the war effort or for the consumption of the people. Again there is confusion in the way in which the leader of the opposition expresses himself. To continue with his remarks:

And on that basis I suggest that no one can take great objection to the amount which the Minister of Finance is asking the country to vote.

With that I entirely agree. I am not finding any fault with the amount asked by the minister. I am really surprised that he has asked for so little. But if I were looking at the matter as the leader of the opposition appears to be looking at it, I would be alarmed at the amount, because I would say, "Where in the world is he going to get the money?" As a matter of fact, what I do say is this: There are great deposits of iron, vast resources of coal, tremendous stretches of forest wealth, almost limitless productive power with respect to all kinds of food. And, as the hon. member for Trinity (Mr. Roebuck) stated so well in his speech, all I am concerned about is whether we can manage our economy so that we can put to work those vast resources producing the very kind of goods we are going to need, not only to support a high standard of living for our people and our armies but to support the war effort by way of machines.

When I look at Canada from that angle I have no anxiety at all about the amount. May I read one more passage from the speech of the leader of the opposition:

I have taken the view that there should be no dollar sign on our war effort.

If it were parliamentary I would stop at this point and ask this question: What on earth does that mean? If the leader of the opposition has said that he puts no dollar sign on the war effort, then he must not be thinking of Canada's war effort in terms of dollars. Yet, only a few passages earlier in his speech, he was talking about the amount of effort Canada should put forth as being in some way governed by the amount of money saved up. I submit that there is no consistency between the two points of view.

Then he continues:

I know there is a limit to our capacity to pay.

Once more the leader of the opposition is taking the stand that our effort is going to be governed by our money. What I think he

should have said was this: "I know there is a limit to our capacity to produce. Our war effort is to be limited only by our capacity to produce." Then he continues:

I do not attempt to define that limit—

Nor do I, may I say.

—but, having regard to the issue at stake, I am sure that whatever is needed within that limitation will be provided by the Canadian people, no matter what the cost or the sacrifice.

We all agree with him. I would, however, be inclined to agree with the hon. member for Trinity when he says that all this talk about sacrifice is needless. If we can produce enough food, clothing and shelter to support the population of Canada comfortably and happily, and at the same time support the men in the field and aid Great Britain in supporting others who are fighting for the empire, without detracting from our production of such things as motor cars, aeroplanes and munitions, then certainly there is no conceivable reason for any sacrifice. Possibly that sounds strange.

Mr. MARSHALL: It is common sense, though.

Mr. BLACKMORE: Let me illustrate, by referring to butter. If we had to take men out of munitions factories to milk cows, to care for them or to make butter, then obviously the amount of butter we would have would be in a measure obtained at the sacrifice of a certain amount of effective war effort. If we had to take men out of the fighting lines or keep men out of the forces so that they could milk cows, then we could say that we could not give our people all the butter they need, and still make our maximum war effort. But when we approach the matter from the other angle, when once we pay a fair price for butter in Canada—let us say 40 cents, for example—and we take away restrictions, so well described by the hon. member for Trinity, we will find great numbers of women in homes who will encourage their sons to keep two or three cows, and to make butter to supplement the family income. As a result of that, we will bring into production an almost incalculable amount of human effort.

Mr. ILSLEY: Would there not be a limit to the productive capacity of the country?

Mr. BLACKMORE: Yes.

Mr. ILSLEY: The more you devote to civilian demands, the less of that limit is available for war assistance or war effort. Is that not correct?

Mr. BLACKMORE: It might possibly be.

Mr. ILSLEY: That is the whole story, is it not?

Mr. BLACKMORE: Let us keep to butter—

Mr. JACKMAN: Take steel.

Mr. BLACKMORE: We will take steel later.

Mr. ILSLEY: Take the whole picture, though.

Mr. BLACKMORE: Yes, but we must start on the whole picture by doing one part of it.

Mr. ILSLEY: If there is a limit to the productive capacity of the country, and it has to be divided between war effort and satisfaction of civilian demand, then any curtailment of that satisfaction of civilian demand leaves a larger amount available for the war effort, and thereby increases that war effort.

Mr. BLACKMORE: That is correct, but I wonder whether the minister is overlooking the fact that, no matter how we tried, we would not be able to get that extra work which that woman would be able to do to register in terms of creating motor cars or armoured cars. But we could get that effort to register in terms of creating butter if we could provide a price which would enable her to produce it at a remunerative figure. As I see it—and I say this to the minister in all sincerity—I believe there is a serious tendency to overlook a vast amount of productive capacity which is available throughout the country, not only in the matter of producing butter, but in producing eggs, meats and many other commodities. We, by burdensome taxation, are making it impossible for people to produce profitably or to buy; there is less market for the production; thus we have created a bottle-neck that prevents this great amount of expanding production and consumption which could accomplish a satisfying standard of living in Canada without detracting in any way from the country's war effort.

I should like to refer to one or two authorities in support of what I have to say. I honestly believe that the line of thought which I am following will be some day acceptable to the minister, but my concern is that he should accept it before matters go too far. I should like to refer to what was said by Mr. Towers when he appeared before the banking and commerce committee which sat in 1939. I quote:

Q. —so far as war is concerned, to defend the integrity of the nation there will be no difficulty in raising the means of financing whatever those requirements may be.

Mr. Towers: The limit of the possibilities depends on men and materials.

I should like to draw that statement particularly to the attention of the leader of the opposition. Stress is placed upon men and

materials, and I assume that the word "men" also means women and children. I quote again from the proceedings of the committee:

Q. —and where you have an abundance of men and materials you have no difficulty, under our present banking system, in putting forth the medium of exchange that is necessary to put the men and materials to work in defence of the realm?

Mr. Towers: That is right.

Now this I think needs to be said, where the men and materials are, then the money can be created with which to put those materials and people to work. After that, the taxing base of the country will be greater, as has been proved already in this first year of war. The experience in the war has been that when money has come forth and has been invested or spent, it has increased the income of the nation by increasing goods, services and the production of the nation. The same thing will apply to the production of butter and other consumer goods if those goods can be sold and consumed in the country. I should like to turn to the bank of Nova Scotia's monthly review of October, 1939, entitled "Economics of War, No. 1":

Financial outlays are no more than an outward sign of the inner reality.

In this case I take it that the inner reality is really our great coalfields, our mines, our people, and other resources.

The true measure of a country's ability to prepare for or to wage war is the degree to which it can enlarge and redirect its productive capacity to this end. So long as there are unused resources of labour and capital and so long as peace-time resources may be diverted to war purposes without reducing living standards below a minimum subsistence, it is feasible for a nation to increase its war-time capacity and to find the necesary financial means.

I am sure the minister agrees entirely with those words, but I should like to give an illustration. I know of several farms in my constituency which produced great quantities of milk, butter, eggs, pork and beef during the last war, but which to-day are producing practically nothing but wheat. The result is that the people living on those farms are more or less idle during the winter. When they are asked why they do not produce hogs, eggs or other products they will reply that it does not pay. They contend that, by producing such commodities, they would be worse off than they are at the present moment. I think that is sufficient evidence that what I am saying is sound. These people should be producing milk, cream and the like in this war. In the last war many of these farmers were rising at five o'clock in the morning, whereas to-day they get up around eight o'clock during the winter. Previously they worked until ten o'clock at night, whereas to-day their work is finished at eight o'clock. We are losing that extra time and energy because we have not adequately adjusted prices and have not adequately encouraged production. The whole matter has a vital effect upon this question which we are discussing, inflation and the expansion of money.

The all-important matter is the question of inflation. What is inflation? The minister made a statement which I am sure he thought was entirely sound after Mr. Hepburn had made his remarks about new money. Over the radio we hear much talk about inflation. I am assuming and I hope that that talk is sincere. But there were the wildest aberrations from the fact in some of those statements. Evidently these were due to a misunderstanding of the true meaning of the word "inflation". I should like to read the definition of inflation given in Webster's dictionary, the second edition. It is:

Disproportionate and relatively sharp and sudden increase in the quantity of money or credit, or both, relative to the amount of exchange business. Such increase may come as a result of unexpected additions to the supply of precious metals as in the period following the Spanish conquests, in central and South America or the period following the opening up of large new gold deposits; or it may come in times of business activity by expansion of credit through the banks; or it may come in times of financial difficulty by governmental issues of paper money without adequate metallic reserve and without provisions for conversion into standard metallic money on demand.

Since that definition was written, the minister will realize that things have taken place with respect to our money which make that last statement absurd. It goes on:

In accordance with the law of the quantity theory of money, inflation always produces a rise in the price level.

We can safely say that there is no inflation without a rise in the price level. In a country as well ordered as the minister, to his credit, is managing to have this country ordered, where people are not allowed to manipulate prices to suit themselves, the price level is going to depend upon the supply of goods and services available, and there will not be a rise in the price of a commodity unless there is a scarcity of that commodity. The result is that the important consideration to the government must be to see to it that there is a sufficient supply of all commodities which we are likely to use, so that at any time, no matter what the strain may be as a result of buying by the people, there will be enough of those commodities to supply all that the people want to consume.

I should like to give another practical definition of inflation which I have given

before. It is from Governor Mariner Stoddart Eccles of the United States federal reserve system. I quote from "Basic Principles of Constitutional Money" by Etta M. Russell:

On March 21, 1939, Governor Eccles, of the board of governors of the federal reserve system, gave a very clear definition, in testimony given before a committee in the United States senate. In answer to the question by the chairman—"What do you call currency inflation?" Mr. Eccles replied, "To me it would mean where the supply of money, bank deposits and currency, in the hands of those who spend that money, is greater than a country's ability to produce the goods for the market. It would be a condition of overemployment, a condition of inability to produce the goods so that the supply of money in the hands of those who spend it, is in excess of a country's ability to supply the demands."

This definition and explanation should be read and reread in the light of present conditions.

In other words, he points out that inflation comes as a result of having more money in circulation than there are goods and services, which is exactly the contention I have made.

May I read a statement which the Right Hon. Reginald McKenna made in a speech delivered before his shareholders in January, 1940, a little more than a year ago. He said:

Inflation, if it comes, will be due to the growth of consumption, civil and military together, beyond our capacity to produce. The military demand must be satisfied, and in the long run, if no other means can be found to bring the total demand for goods within the limit of production, inflation, with its accompaniment of rising prices, sets in as an automatic check on civilian consumption.

I think those definitions show clearly what inflation is. It would be greatly to the benefit of this country if from this time forward the Minister of Finance, the governor of the Bank of Canada, the leader of the opposition and every other responsible public man in this country used the word "inflation" only with that meaning. We then would be ready for progressive thought, and the people would not be alarmed if they should happen to hear that the government had created and put into circulation $500,000,000, for example, possibly in assuring fair prices for butter or pork or wheat.

Once more I am going to make the plea that the government take steps to see to it that there is adequate production. Before the adjournment of the house in December last, I showed how our dairying industry was being allowed to be destroyed; and within a very short time I hope to present to the house some figures with regard to our dairying industry which I believe will astound some hon. members. At the present time we are allowing dairy cows to be exported from this country, at the very time when we need additional milk production in order to supply the cheese and the butter which Great Britain needs. That is an extremely serious matter. We are allowing the price of other commodities to go too low, with the result that we are likely to discourage people from increasing their productive powers, their breeding stock and the like.

This country can create money and can spend it in considerable amounts safely, without inflation in any sense of the word.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. G. K. FRASER (Peterborough West): Mr. Speaker, I am going to be very brief because I feel, as I believe every other hon. member, and every loyal citizen of Canada feel, that this motion must pass, that the people of Canada are willing and ready to pay all the taxes that are imposed upon them, and to subscribe to war loans and war savings certificates. It seems, however, that it would not be right for us to allow this motion, asking for moneys amounting to more than three times the total national debt before the war of 1914, to go through without some debate.

As I have said, our people are quite willing to accept this motion and what it entails, on the understanding that every dollar spent in the war effort shall be so applied that the nation receives a dollar's value for a dollar spent. They are not getting dollar for dollar value now, because there are too many go-betweens, too many sub-contractors, too many other things which I will not mention here but which will come up when we are in committee of the whole.

The people also feel that, as all are being taxed, this war effort should be on a non-political basis, and not on a political basis such as we have to-day. I have before me a clipping from the Peterborough *Examiner* of February 13, 1941, in which Alderman Elliott of Lindsay charges that politics were being played in Lindsay. There was, he said, evidence of it at the dominion arsenal. That is holding up the war savings campaign at the present time. One man said to me, "Do you think I am going to give money in the war savings campaign, for these war savings certificates, when my son cannot get a job because he is not a Liberal?"

Some hon. MEMBERS: Oh, oh!

Mr. FRASER (Peterborough West): That is an honest fact. I have letters on my desk to that effect. It is patronage of the worst kind. I do not say that it is happening in every riding. The hon. member for Peel (Mr. Graydon) tells me that in his riding the defeated candidate is working hand in hand with him and there is no patronage.

As regards this war savings campaign, the people of Canada are looking to us here in the House of Commons to set them an example. What I am about to say will not, I know, meet with the approval of some hon. members; but I suggest that the Minister of Finance (Mr. Ilsley) should give instructions that 10 per cent of the salary or indemnity of anyone who receives $3,000 or more shall be paid in war savings certificates.

An hon. MEMBER: Oh!

Mr. FRASER (Peterborough West): Yes, I heard the "Oh". We should set an example. And these certificates should be non-transferable except in case of death. I believe that in the last war everyone took a reduction of 10 per cent. The least we can do is to subscribe 10 per cent to the war savings certificates. If hon. members could show that they had already subscribed, the minister should, of course, make a corresponding allowance; but the certificates should be in such form as to be non-transferable, so that the holders would have to hang on to them for the seven and a half years. A contribution of that kind would more than put the war savings campaign over the top. I think the Minister of Finance will agree with me in that respect. We have too much soft living in this country. In Germany, for the last ten or eleven years, the people have had to work; they have been given work; they have been told what to do. Here in Canada the white-collared class and other classes up and down the line have had it pretty soft. Now, regardless of who we are, we must get down to earth, and dig in.

At the present time, when our boys and young men are called to the training camps they are examined first of all by an outside doctor who receives for that examination one dollar per man. But when they go to the training camp they are also examined by the doctors there. Those doctors do not receive one dollar for examining them; but they receive their pay, perhaps as majors, possibly as colonels, plus dependents' allowances. If 180,000 boys are to be trained during the year, it will mean a saving to this country of $180,000 if this dollar fee is abolished. I am quite sure that the outside doctors would be glad to have it cut out, because in most instances those boys appear for examination when doctors are at their busiest. Those examinations interfere with their regular practice, and, as hon. members know, during the past winter there has been a great deal of flu and other sickness and the doctors have been busy.

To refer again to the matter of savings, we have been asked not to spend United States dollars; but if you go into any fruit, vegetable or grocery store in the country, you will find on the counters United States cabbages and carrots, with Canadian carrots and cabbages alongside. The Canadian farmer, because these United States vegetables are admitted to our markets, is unable to sell his cabbages and his carrots. Right there, it seems to me, the Minister of Agriculture (Mr. Gardiner) has taken another fall. He has fallen down many times before; on pork—we will not go into that—he has slipped on butter, and I think he is still sliding. The hon. member for Peel said there should be some change in that department. The minister should be either Minister of Agriculture, or Minister of National War Services, or Minister of Garbage Collection, because that is what he is asking hon. members to be. In a letter he sent out he asked us to look after the collection of household bones. What he means by "household bones" I do not know, unless he was referring to family skeletons in some people's closets. He also mentioned, at the close of his letter, the collection of dead animals. Yes! Dead animals! But owing to the fact that the minister has two jobs he is not handling either the one or the other properly. In most places the people who are collecting this scrap metal, etcetera, are unable to get decent prices for what they collect and many are giving up in disgust. I know one society that was offered $5 a ton for scrap paper, another $5.50, another $6, another $6.50, another $7 and another $7.50.

Mr. McCULLOCH: Who will give me $8?

Mr. FRASER (Peterborough West): Well, $8 would be nearer the price they should get. But we should have proper prices set. They could be set in the different municipalities, and that will have to be done before there will be proper collection of this scrap. In the orders of the day for February 18, there are seven and a half pages of printed matter, and seven pages blank. Why does the minister not start collecting this scrap right here? He should start saving here in Ottawa, and set an example.

The public information bureau has been mentioned. To-day I received a letter from one of the outstanding newspaper men in Canada. I am not going to read it all, but he says:

> The stuff is invariably old and uninteresting and never or seldom fit for the columns of a newspaper.

From an editorial on the same matter in the Peterborough *Examiner* of Wednesday, February 19, I read the following:

> So in all it looks as though publicity business is costing about $350,000 per year.
>
> The chief trouble with all this publicity effort is that it is based on the apparent belief that

newspapers all over the country want to receive such material as these publicity men select. They merely come across some items which they consider interesting and away they go—postage free. We do not believe this office is much different from other daily and weekly places of publication, and our experience is that we seldom find reason for making use of this material from Ottawa.

Newspapers have their own representatives in the press gallery; they are senior men and well trained. The Canadian Press keeps a staff there, so there is no lack of news coming from Ottawa. In addition to that there is the daily copy of House of Commons debates and Senate debates, and they arrive regularly when parliament is in session, and they record every spoken word.

Back of all this publicity effort is a lack of understanding of the position of the newspaper. These departments at Ottawa pay for the gathering of such material as they desire to have distributed, pay for office space and equipment, and yet they work on the expectation that the newspaper has space to give away to print things which would not interest their readers. If parliament understood the small extent to which this material is being used it would probably have a better chance to see that much of it can be put down to nothing else than plain waste of effort and public funds.

Mr. LAPOINTE (Quebec East): This reading is a waste of money too.

Mr. HANSON (York-Sunbury): Oh, we all read.

Mr. FRASER (Peterborough West): Most of it goes into the wastepaper basket without even the envelope being opened.

In the training camps they have small stoves used for heating the hutments, and men are detailed to look after these stoves. But no instructions are given them how to look after the stoves. Therefore, since the camps have been in operation, thousands of tons of coal have been wasted. I know that for a fact, because I have had three coal men from different parts of Canada tell me of the wastage in these camps. This coal is going to waste when we have needy people throughout the country who would be only too glad to have even a scuttleful of that same coal.

In closing, let me say that when this government stops political interference throughout the country and gets down to business on a non-political basis, it will have absolutely no trouble about having every loyal man, woman and child throughout Canada subscribe and give everything they have to put our war effort over.

Mr. SOPER: Would the hon. member answer a question? Will he be kind enough to tell us where in Canada to-day a wholesaler could buy a carload of Canadian cabbage?

Mr. FRASER (Peterborough West): Yes; I know a farmer in Peterborough who has, I believe, a carload of Canadian cabbage.

Mr. SOPER: I should be glad to have his name sent over.

Mr. ANGUS MacINNIS (Vancouver East): This is the largest appropriation bill ever to come before this parliament. I have no desire, and I am sure no member of this house has any desire, to deny the government the sum required, and more whenever it becomes necessary. But we are concerned with two things: first, that the money be raised in the most equitable ways possible, that is, in ways which will tend as closely as possible to equality of sacrifice; and, second, that future generations shall not be burdened with the cost of the war.

This war is not being waged with money; it is being fought with material things and human energy and human blood. When the war is finished, it will have been paid for in the only way all wars are paid for, in the human blood and energy expended in fighting it. The debt we are paying on account of the last war and the debt we will continue to pay on account of this war, if we are not careful, for no one knows how long, will be the tribute demanded by the people who own the resources of this country which are necessary to the conduct of the war. If we have the resources, the technical skill and the human labour required, we can always find the necessary money without paying tribute for bringing into operation these factors I have just mentioned.

Our proposal, therefore, as stated yesterday by the leader of this group, is that those who have available the money needed for this purpose should be compelled to place it at the disposal of this nation without interest, just as we have compelled the youth of this nation to prepare to defend the country, whether or not they feel like doing it. The Cooperative Commonwealth Federation has always insisted that as the first step in the organization of our economic life the government will have to take over the ownership and control of our financial institutions in order that the monetary system may be properly used, without the restrictions placed upon it by the profit motive, to finance production; and that also includes war production.

Yesterday the hon. member for Acadia (Mr. Quelch) referred to a statement by the leader of this group. His words are to be found at page 843 of *Hansard:*

> The leader in this house of the Cooperative Commonwealth Federation made a statement with which I do not agree, when he said that when we nationalized the Bank of Canada it served to bring about a better relationship between production and money. In view of the fact that from 1935 to 1939 we had in the neighbourhood of half a million people unemployed, I cannot see how anyone can claim that the Bank of Canada maintained a correct

relationship between the amount of money and the amount of employment or production in the country.

The hon. member for Rosetown-Biggar (Mr. Coldwell), the leader of this group, did not say that the Bank of Canada maintained a correct relationship between money and production; he said nothing of the kind. He said that the Bank of Canada was useful as an instrument for maintaining that relationship; and for the benefit of the hon. member for Acadia may I say that we in the Cooperative Commonwealth Federation are no more convinced that the present government has used the Bank of Canada to the extent that it should have been used for the benefit of all the people than he and his group are. Several times during the course of his speech the hon. member for Acadia repeated that all the money necessary, beyond that raised by taxation, should be obtained from the Bank of Canada. I am not sure that I know what he means. Does he mean the creation of new currency, while leaving credit alone? Let me read to this house a brief extract from a statement by Mr. Walter Nash, Minister of Finance of New Zealand. We have often pointed out in this house that the Cooperative Commonwealth Federation's programme is similar to that of the New Zealand labour party, which for a number of years has formed the government of that country. Speaking in the New Zealand parliament on July 17 last, Mr. Nash said:

> We are proposing to borrow a fairly large sum, £38,000,000. We will borrow in three ways —first by floating a war loan, secondly by floating an ordinary loan, and thirdly through the national savings scheme. To the extent that we are in that way able to obtain proper savings for the carrying on of the war and the maintenance of our ordinary civil life, that will reduce the purchasing power and it will not have the impact on the residue of the goods that would tend to drive them up in price. So that the maximum we can borrow free of interest—

I understand the war loan is to be free of interest.

> —or on low interest terms, the better it will be for everybody, but to the extent, and only to the extent that we are not able to borrow, then we will use the credit that is available from the reserve bank.

I think that puts our case fairly well.

Mr. QUELCH: Might I ask the hon. member to explain exactly what would be the difference between credit issued by the Bank of Canada and currency? A deposit in the Bank of Canada is legal tender.

Mr. MacINNIS: I may have something to say on that point a little later.

[Mr. MacInnis.]

I should like to quote a little more of Mr. Nash's statement. He said:

> I want to dispel if I possibly can the illusion which still exists in the minds of some people that we can create unlimited amounts of credit from the reserve bank without any effect on the economy of this country. . . . If, then, we do take the savings from those who have too much, or those with normal incomes who try to save, as some do, then to the extent that those savings are used by the government for the war effort or for civil activities they cannot have any ill effect on the ordinary economy of the dominion. But if we take from the reserve bank large sums of money and just throw the money into the purchasing pool without getting commodities in reurn then we will damage the economy of this country to a greater extent than it has ever been damaged before, and in addition we will cause untold hardship and suffering to a very large section of the community including wage and salary earners and those on small fixed incomes whose welfare and protection is the government's first and foremost responsibility. Unless new money creates new goods the people are penalized and not benefited by its creation. If the new money results in the production of new goods it is all to the good.

Perhaps I can answer the question asked by the hon. member for Acadia by pointing out that war-time economy is different from normal economy. As the Minister of Finance (Mr. Ilsley) said the other day, probably half our total production this year will be non-consumable goods. They are not capital goods, either. In war production we are distributing purchasing power for twice the amount of goods that are ordinarily produced and used for consumption. In other words, a proportion of the people are put to the production of war materials. A lesser number than normally are put to the production of consumers' goods. We have purchasing power put in circulation by these two groups of people to buy the smaller amount of consumers' goods, and consequently prices will rise.

Therefore I am convinced that the more new money is issued, under these circumstances at least, the more we would have drastically to tax that money back, unless we were going to have inflation on a terrific scale. That is all I wish to say on that point. I believe there are people in my own group who are more competent to discuss this subject, although the approach I have made to it appears to me reasonable.

Mr. QUELCH: The hon. member has asked a question. I wonder whether he would permit me to reply to him?

Mr. SPEAKER: Order. Permission must be obtained from the hon. member who is speaking.

Mr. QUELCH: I should like to know whether he wishes me to answer.

Mr. MacINNIS: I did not ask the hon. member a question. I said I did not understand what he meant. It is just possible that if he took time to answer me I would not, even then, understand what he meant. But that may not be his fault. I admit that the fault may be mine. If, however, it is my fault, I must point out that I am not the only one who feels that way.

I should like now to say a few words respecting the sale of war savings certificates. I am not objecting to the principle of raising war funds in this way. I am convinced that the ultimate objective of the promotion of the sale of those certificates is not, in fact, the raising of funds. I imagine that the purpose is to take money out of ordinary consumptive channels, and under present circumstances that may be desirable. But I do say that those who are pushing the campaign must be very careful, and for several reasons.

I know a great deal of high pressure salesmanship is being used to compel people to buy these certificates, people who cannot afford to buy them, people on low incomes, or whose incomes are already far below the point required to maintain a decent standard of living. I suggest that we are not helping the war effort when we compel such people to subscribe to anything which will lower still further their standard of living.

There is another class of people, wage-earners, who may be receiving incomes which leave a small margin for savings. In some establishments the employees are compelled to subscribe. This applies particularly where the workers are not organized. The management calls in the staff, and they are absolutely forced to subscribe to these war savings certificates. I say that this is wrong. If compulsion is to be applied in the financing of this war, or in the making of loans to conduct the war, then that compulsion should begin with those who have the most. As we need more and more, we may have to take from those who have little. For these reasons I object most strenuously to permitting any employer of labour to bring before him his employees, people who cannot refuse to buy, on peril of dismissal, and telling them they must buy these certificates.

There is still another class, namely, those who for a long period of time have been unemployed. It is admitted that there are such people, because we are told many have found employment since the war began. Those people should not be compelled or even asked to subscribe to or to buy war savings certificates. During their long period of unemployment their household goods, personal goods, clothing and other necessities have been depleted, and they should be allowed a considerable time to make up their requirements.

Mr. GRAYDON: Of course, many of them are anxious to do something.

Mr. MacINNIS: That would be their business; but I am talking about those who are being coerced to do something they do not want to do, and I strenuously object to coercion.

The moment we begin to deal with working people there seems to be an inevitable tendency at the first opportunity to resort to coercion. It is even more striking when we realize that the government shies away from any degree of compulsion when it is dealing with people who have money. Under the National Resources Mobilization Act human beings, most of them members of the working class, have been conscripted, or at least compelled to take periods of military training. Wealth has not been touched—although the act gives equal power to the government to conscript it.

In the financing of this war, employees and other workers should not be called upon each month to give up a certain proportion of their already too meagre wages, while huge sums of money lie idle in the banks of Canada to the credit of individuals.

Speaking on Tuesday, the Minister of Finance said this, as reported at page 824 of *Hansard:*

> I pause, Mr. Speaker, to let the meaning of this programme and these amounts sink in. Probably none of us can realize the true significance of passing over to governments on the average half of our individual income; or, to put it another way, devoting half the labour and productive facilities of the country to war and other governmental work. When it is remembered that a large part of our population is now at such a level of living standards that it can bear very little of the increased burdens which Canadians as a whole must bear, the burden on the remaining part of the population becomes recognized as all the more staggering.

I cannot see why the burden placed upon this favoured section of the population should be staggering; that is, if it is not considered already to be staggering on those referred to previously, those who are getting incomes so low that they can be taxed but very little. Under these circumstances I do not think we can have anything approaching equality of sacrifice unless we adopt the proposals which were made the other day by the leader of this group. He suggested that we should establish a maximum income and take everything above that. If a maximum income were established, we would be more or less upon an equal basis. That income would be sufficient to provide the ordinary necessities of life—we would just have to forgo the luxuries. Surely that need not be such a terrible thing for anyone to contemplate.

I should like to draw attention to one other point which was impressed upon me by the action taken a week or so ago by the Department of Labour when they gave out the information that this government would no longer assume its share of unemployment relief. I shall not say anything further about this, but I think it is absolutely necessary in a time of war that the social services of the country should be maintained. Personally I think it is necessary psychologically for the winning of the war. Speaking over the radio, I think it was last Sunday evening, Ernest Bevin said that it would be almost impossible for the people of Great Britain to carry on were it not for the social services which had been created and developed during the years.

There are certain people with a very low standard of living—people who are least able to help themselves—such as old people who are living on pensions. Their pittance is worth even less than it was, due to the rise in the cost of living. We guarantee the manufacturer a certain return upon his capital; after some agitation the industrial worker has had it recognized that his wages should bear some relation to the cost of living, and I suggest to the government that it should show its humanitarianism and concern for the welfare of the people by making similar adjustments in old age pensions. I was struck by a statement made on December 29, 1940, by the greatest American, I think, of all times, President Roosevelt. He said:

> I would ask no one to defend a democracy which in turn would not defend everyone in the nation against want and privation. The strength of this nation shall not be diluted by the failure of the government to protect the economic well-being of its citizens.

I think the government of Canada should say the same. We have the resources; and even though we are at war, if those resources are properly organized, if the necessary production is carried on to supply the needs of the people without the restrictions imposed by the profit motive, everyone can have a reasonable and even a decent standard of living in the normal essentials of life. If I understand correctly what the people have in mind, they believe that we are fighting this war not only to defeat Hitlerism, but to destroy forever the social and economic system which creates Hitlers. If we want the whole-hearted support of the Canadian people in this struggle, we must give them some earnest manifestation of our determination to do that very thing.

I was interested, as were probably many other hon. members, in hearing Sir Norman Angell speak on Sunday evening. During his talk he pointed out time and again that if we did not remove the conditions which have impeded our efforts during the last twenty years, the conditions which were responsible for the last war as well as for the present one, it would be useless to go to the expense and sacrifice necessary to defeat Hitler; that other Hitlers would arise. I say to the government that if they want the support of the people to a greater extent than they are getting it to-day, they will have to concern themselves with the social welfare of the people, even though we are at war.

When one discusses the war with people, the almost invariable question is asked: What guarantees does the government give that we shall not have to go back after the war to those conditions which existed from 1930 to 1939 when our young men were deteriorating because they had no work, when they were being driven like cattle here and there? These are pertinent questions, and I plead with the government to give thought to them as a part of our war effort.

Mr. NORMAN JAQUES (Wetaskiwin): Mr. Speaker, I shall make only a few general remarks. The word "sacrifice" has been used frequently during this debate. I am sure that the people of Canada are more than willing to make every sacrifice that is necessary for the winning of this war, but I think they realize, perhaps more than some hon. members, that sacrifices which are not necessary do not help in the war and may prove positive handicaps. I think one of the sacrifices which members of the house might make—and if they do not make it voluntarily they will, I believe, be forced to make it before we see the end of this war—is some of their ideas of what they are pleased to call sound, orthodox finance. Let me quote briefly from a recent article in the London *Times*. Nobody, I think, will accuse the London *Times* of being at all radical; yet it had this to say, referring to the changes caused by the war:

> These changes call for readjustments as drastic as those which are demanded by the invention of tanks and planes. In military matters the French general staff enjoyed a prestige similar to that of our own authorities on finance. They, and the whole allied cause with them, have paid a cruel penalty for failure to adjust their thinking to the changed conditions. A hidebound persistence in methods and doctrines which may have been sound fifty years ago may easily prove as costly in the financial field as in the field of actual war. It might not lose the war, it would certainly lose the peace.

After admitting that a fundamental cause of the war was the efforts of Germany to secure foreign markets in order to strengthen her finances when her competitors were forced by their own debts to adopt a similar course, the *Times* continues:

It is not too early to be working out ways of dealing with the problems which will arise when once again all the participants in this war will be driven by the pressure of accumulated debt to seek to sell abroad at any price while none will be willing or able to buy.

It is for that reason that we in this group have made the remarks we have, and we shall continue to make them during this session because, Mr. Speaker, we must not only win this war but win the peace to follow. We won the last war; but most certainly we lost the peace, and it is not too much to say that this war is a result of our failure to use our victory in the last war to make a victorious peace.

Much has been heard of inflation; but neither the minister, in my opinion, nor the majority of the members of the house have come clean, if I might use a slang expression, on this question of inflation. After the abortive dominion-provincial conference, when Mr. Hepburn suggested an expansion of the currency, which I neither condemn nor praise, immediately the press was filled with talk of inflation, rubber money, and so on and so forth; but I have yet to see one paper or hear one minister, for that matter, or any member of the house say one word of condemnation of the policy of deflation from which we have suffered more or less since the last war. Let me quote from the *Monetary Times,* which no one will accuse of being radical or social credit. In its edition of January 25 last, in an article on Laval and Flandin, it says:

> Flandin had become Prime Minister in November, 1934, after the fall of Doumergue. In his programme speech he declared: "Deflation in France is practically at an end. I reject any economic and financial policy that would tend to pauperize the labouring classes of France".
>
> It was not so easy to carry out such a policy. The Banque de France refused to rediscount treasury bills. Flandin wanted to cover the budget deficit by short-term borrowing in order to keep out of the capital market, in the hope that interest rates in the capital market would go down and thus stimulate private investment. The banque's attitude was most embarrassing.
>
> So Flandin dismissed Moret, the governor of the banque, and appointed Tannery. All went well for a while and might have gone well for a long time if banking interests had not spread the rumour that Flandin intended devaluation of the franc, and that his policy must lead to devaluation anyway. It was in vain that in refutation of those rumours Flandin announced that gold coins would be minted. The public became very nervous and confidence fell very low.
>
> De Wendel, the great captain of French heavy industry and the most influential regent of the Banque de France, publicly outlined a deflationary policy, and implied that the franc would collapse if Flandin did not adopt his programme. . . . Flandin asked for plenary powers to carry out de Wendel's programme, but the chamber was irritated and overthrew him.
>
> Laval became his successor. He earlier had learned a profound lesson from the banque. . . .
>
> One point particularly is well worth remembering to-day, because attempts of the same kind are still being made in certain countries. Following the demands of the banque, Laval decreed deflation of unheard of severity. Above all, he cut down the extraordinary budget to the ridiculous amount of six billion francs, then about 300 million dollars. The extraordinary budget included the expenditures for armaments. This happened in 1935, one of the five years in which Hitler spent, all told, 40,000,000,000 dollars on armaments.

When we are reminded, as we were this afternoon, of Mr. Churchill's statement that "never was so much owed by so many to so few," one of the main reasons for that situation was the policy of deflation which was enforced by the banks, and I might say that this was true in Great Britain and true also in Canada. That is the reason why one Spitfire still has to face from twenty to thirty Messerschmitts. It was not that we lacked the men or the materials or the skill to build aeroplanes. It was because of the deflationary policy imposed by the banks and by international finance, and we cannot realize the truth of the matter until we realize that one fact.

Nor is the end yet. We have had nothing but deflation all these years, and now in war time we are still promised the same thing. Speaking at the annual meeting of the shareholders of the Dominion bank this winter, Mr. Carlisle, the president, said that generations following us will labour under the debts now being accumulated and that there is only one remedy—drastic economy. In other words, tighter belts. He says that our hope lies in greater exports and in internationalism. Then he goes on to say: How can we best bring about this better state of affairs? And his answer is, by reducing the number of governments and by revising the franchise so that the unfit and the unworthy shall not have equal rights with those who work and produce and pay. Beyond question there is everywhere a drive for what they call fewer governments, a concentration and centralization of power.

Well, I say this, that if we want that sort of thing; if we want, as many people in Canada to-day openly advocate, a union of governments under one world control, what are we fighting Hitler for, because that is exactly what he wants? I say, too, that a year ago last September I did not from my place vote to involve the people of this country in a war for the purpose of destroying the sovereignty of this country and the sovereignty of the British empire. I did it to preserve those things, not to destroy them.

Of this I am sure, that democracy as we have known it and orthodox finance cannot both survive this war. From what I hear and

from what I read, I think it is pretty plain that with a great many people it is not the intention that democracy shall survive. I see no indication in government circles, or among those in authority, of any admission that they have made mistakes in the past. All I have heard is that those who propose a change in our financial system—and I might say their numbers are growing every day—are ridiculed and opposed, and even accused of making subversive statements.

But, as I said, orthodox finance and democracy as we have known it cannot both survive this war, and I think all the signs point to the fact that those in control intend that, whatever else may be destroyed, orthodox finance shall survive.

With regard to control of prices, I should like to call the minister's attention to the fact that in Great Britain to-day and for a considerable time past—I do not know whether it started at the beginning of the war, but certainly it has gone on for some time—the government is compensating the retailer for selling below cost certain articles, I suppose articles of necessity. In other words, they are using the just price or the compensated price, which social crediters have advocated for the past twenty years. That is one way of preventing rising prices and at the same time not handicapping business by the retailers being involved in loss. If that is being done in Great Britain, I do not see why it cannot be done in Canada.

If I understood the minister aright this afternoon, when the hon. member for Lethbridge (Mr. Blackmore) was speaking, the minister said or implied that there was no gap between the money raised by taxes and by borrowing, and the actual expenditure on war. If that is so, all I can say is that we cannot be making our greatest effort, because the gap in Great Britain is in the neighbourhood of one thousand million pounds a year; that is, the credit which is issued for the war is one thousand million pounds over and above what is collected in taxation and borrowing.

I should like to say once more that our object in this corner in criticizing orthodox methods of financing the war is not in any way to attempt to handicap the government. But, as the *Times* has said, although these methods may not lose the war, most certainly they will lose the peace.

Mr. A. R. ADAMSON (York West): Mr. Speaker, I had not intended to speak on this resolution to-night, but there has been so much talk about inflation, deflation and other related matters that I think I should say a few words on this one billion three hundred million dollar appropriation.

[Mr. Jaques.]

Inflation is no new thing. It has been going on in this country, and, in fact, all over the world, since the end of the last war. It has been going on rapidly since 1934. There is nothing extraordinary about inflation if it is controlled as it has been and as it will be. If you want an index of the inflation which has been going on in north America, look at the public debt of the United States, which has risen from $25 billion until the last appropriation bill, which allowed $65 billion. In that period there has occurred almost a threefold inflation in the United States. The standard of living in that country has not appreciably decreased, although the public debt or possibility of debt has increased over three times since the wild inflationary boom, which was known as the stock market boom, in 1929.

We are going through a period of inflation, just as surely as we sit here to-night. There are three ways of meeting the expenditure, of providing this money. The first is by taxation; the second is by borrowing, and the third is by expanding currency. The latter two methods are really inflationary. Every new bond, every new war savings certificate which is issued is a promise to pay back by the dominion government. It is just as much a promise to pay as the dollar bill issued by the Bank of Canada. They are both promises to pay. The government pays interest on the bond; every coupon is new money and therefore inflationary. War savings certificates are not due for seven and a half years; they are delayed inflation, but they are inflationary just the same.

I am dealing now with the borrowing machinery that the Minister of Finance has set up. First, I take the war savings certificates. There is apparently some hesitancy on the part of the people of this country in buying these certificates. In Toronto, where we have in the metropolitan district one-tenth of the population of Canada, we have set ourselves, so I understand by the thermometer at the city hall, to obtain, by the end of this month, 200,000 pledges to buy war savings certificates regularly. In the first half of the month we reached a little over one-quarter of our objective. That, I believe, is symptomatic of the country. There must be a reason for that, and the reasons I suggest are three.

First, there is the lack of inspiration by the government of Canada. There is no driving force; there is no Churchill, no Roosevelt to inspire this country as Britain and the United States are inspired. Second, there is a lack of information. We have endeavoured to get the government to give us specific information as to precisely what is being done. It is my belief, and I think that of those who sit round

me, that if the people of Canada knew what is going on they would be more willing to support their government. There is no disgrace in having a failure in production of war materials, but there is great disgrace in not admitting that we have failed in production along certain lines. The third reason is psychological. There is to-day a feeling in Canada that the government is not exercising the greatest economy, or all the economy it might. With your permission, Mr. Speaker, I am going to ask the Minister of Finance (Mr. Ilsley) a straight question, and resume my seat in order that he may answer. Is it true that in Canada to-day cabinet ministers are allowed and receive the sum of $2,000 a year for a motor car?

Mr. MACDONALD (Brantford City): Read the estimates.

Mr. ADAMSON: The minister indicates that that is so. I am glad to get the minister's admission; I thought the item was in the estimates. The people of Canada also know that. They say: Here are cabinet ministers each drawing $2,000 a year for a motor car. Most people consider that very excessive. I fully realize that the saving of $30,000 or $32,000 or $34,000, if this item were struck out of the estimates, would be a comparatively small matter. But what is important is that it would show the man in the factory who is asked to give up one hour, two hours, three hours, or half a day's pay every week, that the government are willing to economize for this war effort right in the highest tribunal in the land.

Mr. MACDONALD (Brantford City): Who is asking anyone to give up half a day's pay?

Mr. ADAMSON: The workers in several industries in my riding have been asked to give up half a day's pay.

Mr. MACDONALD (Brantford City): For war savings certificates.

Mr. ADAMSON: Exactly.

Mr. MACDONALD (Brantford City): Does the hon. member know that the cabinet ministers are buying war savings certificates?

Mr. ADAMSON: But they are also receiving $2,000 a year for a motor car. And the public in Canada do not consider that justified, whether the hon. member does or not.

Mr. MACDONALD (Brantford City): The hon. member asked—

Mr. ADAMSON: Mr. Speaker, I have the floor. The hon. gentleman can speak afterwards.

Mr. MACDONALD (Brantford City): I understood the hon. member was asking me a question.

Mr. ADAMSON: I am not; I was not addressing the hon. member.

On occasions I find myself in the position of driving on his majesty's business in Canada, using my own motor car. I find that the system in general use throughout this country is to pay six cents a mile to a man using his own motor car on the government service.

Mr. CRUICKSHANK: May I ask the hon. member a question?

Mr. ADAMSON: I ask the hon. gentleman to be seated. I have the floor. I am interested to see that this discussion has awakened so much interest.

Mr. MACDONALD (Brantford City): Will the hon. member tell us whether he is in the army himself?

Mr. HANSON (York-Sunbury): That is not a proper question.

Mr. SPEAKER: Order. The hon. member has said that he does not desire to have his speech interrupted.

Mr. MACDONALD (Brantford City): He should not cast aspersions on other hon. members.

Mr. ADAMSON: If I have cast an aspersion on any hon. member, I am very sorry. The hon. member must have an extremely thin skin. I am dealing with a question of psychology, and suggesting that the ministers give up this $2,000 for the good of the country.

Mr. CRUICKSHANK: What about the leader of the opposition?

Mr. ADAMSON: Yes; I would even suggest that.

The second method of borrowing this money is by the sale of bonds. Since the tremendous increase in the income tax, people in the bond buying class have found themselves having difficulty to pay their income tax; and when the time comes for the next war loan some time during the summer, the minister is going to find that this reservoir of bond buyers, these people who would normally buy bonds, have no surplus available for bonds, they are up against it paying their income tax. I suggest to the minister that when he puts out the next war loan, some system must be arranged so that not only are they good collateral at the bank, as all Dominion of Canada bonds are, but that they can be bought on the instalment plan without interest

in order to allow those who wish to borrow to help this war effort, to do so without incurring extra liability.

There is also this other condition; the minister suggested that this $1,300,000,000 might not be enough by some 20 per cent to meet the cost of this year's expenditures. There is also the repatriation of Canadian securities held in Britain which, while it is not a direct charge, nevertheless adds to the burden. The minister has also suggested that new forms of taxation might have to be employed; during the conference on the Sirois report he mentioned that extra succession duties might have to be levied. I submit to this house that to-day anyone with money is being frightened into holding on to it rather than encouraged to lend it to the government, and I submit to the minister that this is a very serious situation and may prove to be a difficult problem when the new war loan is issued, because it must go over. These are matters that will have to be thought about first.

If the first two methods of raising this money fail, there is a third method, that of currency expansion. I hope we do not have to employ that method, but that should not prevent us from thinking about it. We hope we will not be bombed; we hope we will not have air raids; but while we have these hopes, we must be prepared for whatever may happen. There are two or three methods of currency expansion. The normal manner, the orthodox way if you like, is by increasing the price of gold. Another way is by lowering the peg on the only hard currency left in the world to-day, the United States dollar. Both these methods are possible. There is also the third method, which led Germany and other European countries after the last war down the primrose path to ruin; that is, definite increase of currency without control. I am sure no minister of finance would consider such a method in this country.

I should now like to say a word with regard to war production. There is no doubt that there has been a certain amount of bogging down in connection with a great number of items. I do not think this has been due to the cause most commonly ascribed. I do not believe the principal cause has been political juggling, political patronage or political malfeasance, even though I know patronage lists are still in existence. I believe this has been caused by the maladministration of government departments. Since the war started, some of the ablest business men in Canada have come to Ottawa, prepared to do a job. One by one they have gone back home, unable to do the job they came here to carry out. There must be a reason for that. I suggest to you, Mr. Speaker, that the reason is that these men were not given the free hand they should have been given. They were proscribed by considerations of departmental red tape and by other considerations of a pre-war, single party administration.

Beaverbrook in England, Knudsen and Stettinus in the United States, were told by Churchill and Roosevelt, "You are responsible to me for the production of these goods." Churchill said to Beaverbrook, "Go on and produce aircraft. I don't care what you have to do to produce them, but produce aircraft." As a result, aircraft were produced. Undoubtedly mistakes were made and waste occurred, but such things are not important at present; it is the aircraft we want. Knudsen and Stettinus in the United States had the very greatest trouble in producing the Allison engine, and only succeeded because they employed the most drastic methods. They were criticized, but the administration of President Roosevelt was big enough to withstand that criticism. Roosevelt said, "As long as I am convinced that you are doing everything in your power to produce these machines of war, you will have my backing." That, I submit, should be and must be the attitude of this administration.

In conclusion, Mr. Speaker, I suggest that there is one way, and only one way, to get on with the production of war materials. Responsibility for that production must be delegated to the man producing them. He must have an absolutely free hand and must not be tied up by departmental red tape. Then these men who come here to offer their services will be able to do the job of which they are capable.

Mr. A. M. NICHOLSON (Mackenzie): I feel obliged, Mr. Speaker, to make a few remarks in connection with this measure, which without doubt is one of the most important matters ever to be brought before a Canadian parliament. I am not opposing the amount of money that is proposed to be voted under this legislation. I agree with the words of the Minister of Finance (Mr. Ilsley) who, speaking in this house on July 30 last, said:

> See that Canada does her utmost—on the land, on the sea and in the air—and the cost, in so far as money can meet it, will be gladly and proudly paid.

I should like also to repeat the words of the present Minister of National Defence (Mr. Ralston), speaking along the same line on June 24 last:

> I need hardly say that our war effort is not in any sense to be limited by any such financial

calculations or by what we can comfortably accomplish. We must make the maximum effort of which this country is capable. Financial provision can be made and will be made for whatever it is physically possible for us to produce or to procure in the way of war services, supplies and materials. The limits of our effort are not fiscal. If there are any such limits they are physical, mental and moral—by that I mean the physical limits of our resources and the mental and moral capacity of Canadians to bear burdens and make sacrifices.

I believe the then Minister of Finance, the present Minister of National Defence, presented very fairly the tremendous issues at stake, and I believe every dollar necessary to carry on the war to a successful conclusion must be made available in the present emergency.

I believe, however, it is very important that the Canadian taxpayers be assured that the money raised is going to be spent fairly, and that all people in Canada should be required to make their fair contribution of the sacrifice. I feel that in many parts of Canada the war effort of the government has not the wholehearted support of Canadians, and that this condition has been brought about for various reasons. I have in my hand a copy of an editorial which appeared in the Saskatoon *Star-Phoenix* of December 14, 1940. They quote, as follows, the words of the right hon. gentleman who leads a party in another house:

> I do not exaggerate at all when I say that I have had business men by the dozen tell me that they are leaning on their oars; they have nothing to work for. They say, "We might just as well take it a little easier now, for we are only working for taxes anyway."

Those are very dangerous sentiments for any man in public life to express in Canada to-day. I agree with the suggestion contained in this editorial that it is quite possible the defence of Canada regulations should be amended to deal with these dozens of individuals who are resting on their oars because they feel that under the present available contract terms they have nothing to work for.

We have had considerable discussion in the house respecting terms of contracts. Here is a copy of *Canadian Business* for December, 1940, which contains information that, so far, has not been placed before us in the house. This issue contains an article by Leslie Roberts, headed, "Is There a War-Contracts Pork Barrel?" The article sets out in detail information as to how supplies are bought in Ottawa. No. 6 reads as follows:

> Contracts are liable to continuous audit, and figures may be revised to keep the manufacturer within his ten per cent profit zone.

Then, in the body of the article I read:

> Normally such a job should be produced for so much, allowing for the producer's legal margin of profit, which is ten per cent.

With one group of Canadians in a position where it is taken for granted that they should have a legal margin of profit of 10 per cent, and a very large group of Canadians who are making tremendous sacrifices without any hope or desire for profit, you cannot have a strong and united Canadian people.

May I at this point make a few observations about a very large number of Canadians who feel they are not receiving the consideration they deserve. As a matter of fact, Mr. Winston Churchill, speaking in the British House of Commons last fall, had this to say about them:

> We shall do our best to encourage the building up of reserves of food all over the world, so that there will always be held before the eyes of the people of Europe, including—I say it deliberately—the German and Austrian peoples, the certainty that the shattering of nazi power will bring them all immediate food, freedom and peace.

Canada has a very important function to perform along the very lines outlined by the Prime Minister of Great Britain. We can produce enormous supplies of food, and the time will come when those supplies of food on hand in Canada will be an important factor in obtaining peace terms to our liking. But in the meantime we cannot expect two million farmers in Canada, two million people who depend directly on farming for their livelihood, to continue under prevailing conditions.

Hon. members may have thought that during the last session some of us from the prairie provinces spoke from a narrow and provincial point of view. I suggest that developments within the last few weeks have made it clear to all Canadians that the problems of agriculture are national, and that they are neither provincial nor local. I saw in the Toronto *Globe and Mail* of February 12, a dispatch reporting a speech by the Hon. W. L. Houck, Vice-Chairman of the Ontario Hydro Commission, and minister without portfolio in the Hepburn administration. Speaking at a ploughmen's convention, he is reported to have said:

> "I say without fear of contradiction that the Minister of Agriculture betrayed the agricultural classes and left them to work out their own problems against insurmountable odds without any assistance from the department at Ottawa." Mr. Houck charged that the federal minister joined in a nation-wide conspiracy to keep the price of farm products at a point below what it cost to produce them. If others are guaranteed the standard of living, then the farmer must receive the same treatment. No type of man engaged in any industry wants to do more in the war effort than the farmer. He will do his part and do it willingly, but he cannot go on with prices paid at less than the cost of production.

I notice that the Minister of Agriculture (Mr. Gardiner) bearded the lion in his den by attending in London a meeting of indignant Ontario farmers. The London *Free Press* dispatch states that Mr. McEwing, the member of the legislative assembly for the constituency of North Wellington, asked if the federal government would recognize that pork was being produced at a loss, and would be prepared to give the producer the same consideration industry was receiving. The minister replied he was unable to say what the attitude of his government would be.

I must confess I was embarrassed to learn from the newspaper report that a minister of this house in a public meeting should have had to listen to some of the comments recorded in the press. One indignant farmer asked, after the minister had indicated that he owned a farm near London, whether he owned a pair of overalls. It would seem to me that comments of that kind would indicate that we have a great deal of dissatisfaction among a loyal group of people in Canada who are prepared to make every reasonable sacrifice.

This appropriation of $1,300,000,000 should include sufficient funds to carry on agriculture efficiently, so that it may fulfil its proper place in the economy of Canada.

Just one more reference, to indicate that my observation need not be confined to Saskatchewan or even to Ontario. At the conference which ended so suddenly last month, Mr. Bracken spoke concerning the position of agriculture. The report of his speech, as it appears at page 31 of the report of the plenary session held on January 14, 1941, contains the following:

> But what is the situation facing agriculture? In the west we harvested last year one of the largest wheat crops in our history. When it is all sold it will have brought to the farmers a little more than half as much as each of several smaller crops before the depression, and not until the end of next July will farmers have received payment for the last of it. That crop brought the producers a little over 50 cents per bushel on the farm. During the last war, such a crop would have moved readily overseas and farmers would have received in some years three or four times the present market price per bushel. Even in the post-war period before the depression the farm price paid was more than twice the present price. It is now suggested in certain quarters that only a portion of our next year's crop be allowed to find a market through the ordinary channels.

And again:

> Since the war started, there has been a worsening of the farmer's market condition for certain of his major commodities, with some improvement and limited possibilities for certain other products. Disparities between the rising cost of goods the farmer buys and the fixed prices for certain of the products he sells are perpetuating a most difficult situation and giving rise to protest and unrest, the causes for which in war time at least we should by all means seek to alleviate or avoid.

With the evidence coming from such a wide field, I submit that the government should consider its responsibility to agriculture in the present crisis. If there are men engaged in agriculture whose services could be used to better advantage in industry, now is the time for the government to give us that information. I am sure that hon. members from all parts of Canada have had farmers appealing to them for information and instruction as to where they might make their greatest contribution in the present crisis. Until the government states that there are too many people on our farms, until it intimates that it intends to move large groups of agricultural workers to industry, I am sure we shall have a great deal of discontent.

The announcement has been made that relief is to be cut off in the near future. This will add greatly to the unrest which exists in many parts of Canada. If I might refer again to Saskatchewan, I think I can say that hon. members realize that the problems facing that province are not the result of carelessness on the part of the people, but rather they are due to a national calamity and national policies. We have large surpluses of many commodities, and now the government announces that it intends to embark upon a policy of cutting off food from large numbers of our citizens. I submit that if the policy as announced is carried out, a large number of people in Saskatchewan will find it impossible to secure the food they require in their daily lives. I have in my hand a copy of a speech delivered by Mr. Perkins, president of the federal surplus commodities corporation in the United States. He shows how we in Canada might dispose of much of our surpluses. The information available indicates that we have a large group in Canada who are not consuming enough food. If we are to maintain a standard of life which will ensure that certain people will be able to make their greatest contribution in our war effort, those people should have sufficient food. This report states:

> According to this study, the 14 per cent of our families with the lowest incomes, that is, families receiving $312 on the average, are spending only slightly more than $1 per person per week for food (actually, in order to keep going, they spend about 50 per cent more for all purposes than they earned—some merchant got stuck for part of the difference).

And again:

> In other words, this tells us that people with incomes of under $500 a year have about five

cents per person per meal to spend for food. Families getting an income of $100 a month have around ten cents per person per meal for food. The market for our farmers is doubled, so far as this group is concerned.

And further down:

What is this potential low-income market like? Evidently these underprivileged people can and will spend more money for food if they have an opportunity. Does this mean that they pay higher prices for better food, or do they actually seek more food? The answer is that they do both. We know that low-income people are eating about half as much as they want. They will buy more food and greater varieties of it, if they have the opportunity.

Another paragraph, which I should like to direct to the attention of the house, reads:

We probably shall hear more and more, during the next few years, about solving our surplus agricultural problems by feeding and clothing the destitute peoples of other continents, particularly those ravaged by war. I hestitate to mention that charity should begin at home, because I agree that it should not end there. The present situation in Finland, for example, has pulled at our national heart-strings. I should like to suggest, however, that before we look at this problem of human hunger through a telescope, that we look at it through a microscope right here in our own country, and remember the millions of youngsters we are pumping into our own society every year on five cents a meal. Innocent victims of malnutrition make mighty poor citizens.

Of course, Mr. Perkins was speaking of conditions in the United States, but similar words might be used to describe conditions in Canada. Unfortunately we have no statistics available to enable us to draw the conclusions which have been reached by Mr. Perkins. I urge the government to see that sufficient funds are set aside out of this appropriation to secure for agriculture a net return which will enable the farmer, not to become a profiteer but to meet his obligations, pay his taxes and have a decent standard of living.

Considerable work has been done in western Canada in recent months to show the spread between the prices received by the farmer for the goods he has to sell and the prices paid by him for the goods he has to buy. I should like to give the house particulars showing the difference between the price of a binder to-day and the price a number of years ago. In 1913, the material in a binder cost $45.56; the labour, $11.97; the overhead, $17.96; experimental work, 34 cents; freight, $17.80; agent's commission, $30.45, and there was a gross margin of $42.94. The cash price at Regina was $167.02. A farmer could buy that binder in that year for 261 bushels of wheat. In 1936, the material cost was $71.06; labour, $22.62; overhead, $33.93; experimental, $2.55; freight, $26.08; agent's commission, $45.50; gross margin, $79.26. The cash price at Regina was $281, equivalent to 319 bushels of wheat. Last year, in order to buy the same binder the farmer had to pay 637 bushels of wheat. I am quoting from "Why a Farm Machinery Cooperative", published by the Canadian Cooperative Implements Limited. This significant paragraph appears at the bottom of page 4:

It is obvious that the farming industry in western Canada is facing a crisis. If a decent standard of living is to be achieved on western farms something must be done to remove the wide spread between the price of things which the farmer has to sell and the cost of things which he has to buy.

I feel that this is the point which western farmers have been trying to make during all these years. On my way to Ottawa I noticed in one of the papers that the estate left by the late president of the Massey-Harris company amounted to over three-quarters of a million dollars. It is quite apparent that making farm machinery is a much more profitable business than operating that machinery on a western farm. The hon. member for Rosedale (Mr. Jackman) draws my attention to the fact that the gentleman who passed away had other interests. No doubt he had, but I think the fact remains that the manufacture of farm implements has been quite profitable in Canada.

Let me say a few words about labour. As I said earlier in my remarks, a great many farmers in Canada feel that the most important thing now, is to see that the war is won, that Hitler is defeated. Many of these men do not want to waste gasoline operating their tractors in the spring months if the producing of more food is going to add to Canada's problems and is not going to help in our war effort. Many farmers on marginal lands across Canada have been facing the necessity of applying for relief. These men are anxious to get off their farms because they feel, and I think rightly so, that they can make a greater contribution in industry. Last summer, a national registration was taken, and the Minister of National War Services (Mr. Gardiner) wrote a letter to the members of the Saskatchewan legislature under date of July 27. One paragraph reads:

It is absolutely essential for the national welfare, that this registration be as complete as possible. We hope to be able to help the Canadian people by means of the information gathered—to direct those presently unemployed to employment, and to aid those who are employed in obtaining more gainful employment. One of the chief objectives of this national registration is to help the younger generation and to secure information with respect to the aged, the sick and the incapacitated. In general terms, we want to be able to see the whole picture of the location and position of the people who live in this country.

That paragraph outlined a worthwhile objective; and feeling sure that the necessary

machinery was being set up to carry out this very thing, I wrote to the associate deputy minister in November on behalf of a returned soldier who has been farming on sub-marginal land and who had appealed to me. My letter read:

> Mr. ——, who is forty-six years of age and a returned soldier with wife and two children, is anxious to place his services at the disposal of the country in any capacity. He advises me that he is a mechanical draftsman and has had considerable experience with the Grand Forks Gas and Electric Light Company in North Dakota. He also states that he has done drawings for the patent office in Ottawa on several occasions, and is anxious to be of as great assistance as possible during the present crisis.

The deputy minister wrote in reply:

> There should be some place in the war industries of the nation where the services of this man could be used to advantage.
>
> I noted in the public press, yesterday, a statement by Mr. F. H. Avery of the Department of Labour for the province of Ontario, Parliament Buildings, Toronto, that his department was engaged in Ontario in finding where employees were needed and locating such employees. He said that there was already very considerable in the way of shortage.
>
> Might I suggest that you, in turn, advise Mr. —— to communicate directly with Mr. Avery, giving him all his qualifications, and asking him to place him.

I anticipated that what did actually happen would happen, and rather than annoy my friend, who lives quite a long distance from regular mail service, I took the responsibility of doing the writing myself. I set out his qualifications in a letter to Mr. Avery, who advised me, in view of the fact that this man was living in Saskatchewan, that the Ontario authorities were not encouraging men to come east and that I had better try one of the western offices. So then I wrote to Winnipeg, and they replied that, since this man was living in Saskatchewan, it would be well to take up the matter of his employment with Regina. I then took the matter up with Regina. But in Saskatchewan there are no war industries of any consequence where a man with his qualifications could find employment; so the merry-go-round went on, and the man is still awaiting information that will enable him to serve in a useful capacity in the present crisis.

I have heard some hon. gentlemen opposite sometimes say, when we were speaking here of conditions in other parts of Canada, that if men wanted to work they could find work. I have spoken to some of these hon. members privately and asked them: Can you place in some war industry in your constituency a well qualified man, or men who are willing to come to Ontario or Quebec from Saskatchewan, young men who are able and willing to work in any capacity? I have not been able to discover any place in Ontario which is willing to encourage men to come from Saskatchewan to find employment. I feel, Mr. Speaker, that by this time, the minister having written this letter on July 27 last, some machinery should have been set up whereby people such as the man of whom I have spoken could be placed in employment somewhere in Canada where they could make their contribution in the greatest struggle in human history. I submit that the government would do well to consider first its responsibility to agriculture, and, second, its responsibility to the large number of men in Canada who are anxious to get into industry at this time in order that they may make a greater contribution to our war effort than they are now making.

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

Mr. HANSON (York-Sunbury): Mr. Chairman, I was wondering whether the Minister of Finance had anything to add to the statement which he made on this resolution the day before yesterday, or would he prefer to answer questions as we go along? It seems to me there is a great deal that still requires to be elucidated.

The resolution covers three different phases of governmental activity. By section 1, a vote of credit of $1,300,000,000 is sought, which is to be devoted to:

> (a) the security, defence, peace, order and welfare of Canada;
>
> (b) the conduct of naval, military and air operations in or beyond Canada;
>
> (c) promoting the continuance of trade, industry and business communications, whether by means of insurance or indemnity against war risk or in any other manner whatsoever; and
>
> (d) the carrying out of any measure deemed necessary or advisable by the governor in council in consequence of the existence of a state of war.

Paragraph (d) I would call an omnibus clause.

The minister in his very concise statement did not elaborate with regard to any one of these four objectives. At the moment I am interested, as I think the country will be interested, in knowing just what portion of this huge vote of $1,300,000,000 is to be devoted to promoting the continuance of trade. Second, what portion is to be devoted to promoting the continuance of trade, industry and business communications, and is this promotion to be limited to means of insurance or indemnity or what-not?

I think the committee is entitled to some further elaboration and explanation of the

intricate wording of the first part of paragraph 1 (b) of this resolution, and I invite the minister to do that.

Mr. ILSLEY: Mr. Chairman, no part of the amount that has been spent under the War Appropriation Act of 1940 has been allocated specifically to the purposes set out in paragraph 1, which is the same as a corresponding paragraph in the War Appropriation Act of 1940.

Mr. HANSON (York-Sunbury): Nothing was spent this present year?

Mr. ILSLEY: No; no sum has been specifically allocated to that. There have been sums spent in nearly every department of government, but they are fairly small sums. The main expenditures have been, and needless to say will be, in the three defence departments and the Department of Munitions and Supply. But there are certain expenditures which are due to the war, and we try to be very careful not to allow any expenditures to be made under the War Appropriation Act which are not properly made under that act, but to allow only those which are due to the war and are really war expenditures. But war expenditures are made in nearly all if not all the departments of government. That is the best information I can give the hon. gentleman in answer to his question, but I cannot tell him what expenditures are made under 1 (c) or under the corresponding subparagraph of last year's War Appropriation Act.

I am not aware of anything having been done in the way of providing for insurance or indemnity against war risk. There has been some discussion of it, and some suggestions made that something like that should be done, but I am not aware that anything yet has been done.

Mr. HANSON (York-Sunbury): If that is so, why is it necessary to keep this in—if the government has not any programme? What the minister says is quite true. I presume this statement, "Other departments, $18,540,000," which is included in the $538,804,000 tabulation on the first column of page 822 of *Hansard* of February 18, does apply to every other department. Who decides, may I ask, whether a particular expenditure is a war expenditure or not, because the distribution of these amounts may make a very great deal of difference?

Mr. ILSLEY: Yes.

Mr. HANSON (York-Sunbury): I do not mean to say that it will make a great deal of difference to the sum total of the expenditure, but it will make a great deal of difference as to whether it is true war expenditure or whether it is peace-time expenditure made and charged to the war. That is a very important function, and I wonder who attends to the distribution of that, and how it is done. Does the Department of Finance do that? Does the comptroller of the treasury have anything to do with that? Is it the auditor general, or who? I thought the hon. gentleman might dig into these details with a great deal of profit.

Mr. ILSLEY: Yes. That is done by the governor in council either directly or through the instrumentality of the treasury board. The applications are made to treasury board for allotments or approval of draft estimates to be charged against the War Appropriation Act. The matter is considered, and a decision is made as to whether it is properly chargeable against the War Appropriation Act.

Mr. HANSON (York-Sunbury): Is it left to the decision of the treasury board itself, or is there any system of expert accounting advice—I will put it that way—as to what is and what is not so chargeable? I am not an accountant, and I assume the minister is not either, but I know that there are standard accounting systems in respect of different classes of industrial, public utility and commercial operations, and that accounting has grown to such a fine point that to-day an expert in this line is able to direct and tell public utility corporations and so forth just what the proper practice is. Has advice of that nature been sought and obtained, or is it left to treasury board, which, as the minister knows, is a sub-committee of the cabinet, presided over by himself, and with a secretary—a very competent secretary, I think, if it is the same man who used to be there? Is any one of these gentlemen who sit on treasury board competent to say, from expert experience and advice, what should be allocated to war and what is a peace expenditure? Let us have the low-down on that, if I may use that expression.

Mr. ILSLEY: The treasury board as such assumes that responsibility unless, as I have said, it is taken by council itself. In some instances, council takes it itself directly; but treasury board has the advice of its experienced officials.

Mr. HANSON (York-Sunbury): Are they competent to give the advice, and is it sought and taken, or is there any occasion on which their advice is rejected?

Mr. ILSLEY: I cannot remember any instance when their advice was rejected. But it is not their responsibility; it is the responsibility of treasury board itself.

Mr. HANSON (York-Sunbury): I agree with that. I want to know what the practice is?

Mr. ILSLEY: The practice is for treasury board itself to decide, and if they make a mistake they are answerable for it. But I can give the hon. gentleman, perhaps, some border-line instances, if he wants me to take up time in doing it.

Mr. HANSON (York-Sunbury): I think this is a very illuminating discussion. At least I hope it is.

Mr. ILSLEY: I am afraid I am rather encouraging questioning on it by the line I am taking.

Mr. HANSON (York-Sunbury): That is the very thing we should be doing here.

Mr. ILSLEY: For instance, in respect to the Post Office Department, it might be argued that the additional expenditure due to greatly enlarged carriage of mail for troops overseas is an expenditure which is chargeable to the war appropriation, or it might be arguable that it is not, that it is merely an expansion of the peace-time activity which must come.

Mr. HANSON (York-Sunbury): What has been the decision?

Mr. ILSLEY: I think the decision has been pretty much to put it in the peace-time expenditures. There is a considerable increase in the Post Office Department estimates this year. The hon. gentleman may notice that it is nearly $2,000,000. A great deal of it is caused by an expansion of work on account of war conditions; nevertheless it has been put in peace-time expenditure.

Mr. HANSON (York-Sunbury): I suppose occasionally there is a conflict between one department and another. Does the Post Office Department put up a fight to have the additional expenditures charged up to war?

Mr. ILSLEY: Oh, no.

Mr. HANSON (York-Sunbury): I can imagine the Postmaster General (Mr. Mulock), with his sword unsheathed, or what-not, fighting to have this burden taken off his shoulders so that he may have a better report to present to the country, and without such a big deficit or whatever it may be. But I am not very serious about that. What I do want to know is, what is the rationale of the whole thing? The minister has given us a border-line case. I suggest to him that the proper course to pursue would be to have an expert decide this and advise the treasury board. Is there such an expert in the Department of Finance?

Mr. ILSLEY: There is none in the world, that I know of.

Mr. HANSON (York-Sunbury): I tried to intimate that there are expert accountants in various lines of business activity whose advice might be very useful to treasury board in a case of this kind. As a matter of fact, the minister has a lot of brain-trusters surrounding him. I do not know whether or not he has enough there to take care of this class of work. My fear is that there may be charged to war account a good deal of money that ought to be charged to peace-time activities. I should like to be reassured on that point. That is a very proper feeling for me to have in the interests of the public, because I do not see very many people, especially in some departments having regard to war expenditure, who are trying to save much to the taxpayers.

Mr. ILSLEY: What is the question?

Mr. HANSON (York-Sunbury): Should there not be a system set up officially charged with the responsibility of advising the treasury board as to what is what?

Mr. ILSLEY: I think the treasury board is adequately and sufficiently advised; I do not think they require any more advisers on this point. I volunteer this information to the hon. gentleman, which again perhaps is not wise, that he should have a copy, as perhaps he has already, of an order in council that was passed last October or November, if I remember correctly, after a great deal of consideration, setting out the procedure to be followed in the approval of draft estimates and subsequent allotments.

Mr. HANSON (York-Sunbury): The allocation?

Mr. ILSLEY: Yes, out of the money voted by the War Appropriation Act. If the hon. gentleman thinks a great deal of thought has not been given to that, he is wrong.

Mr. HANSON (York-Sunbury): I am not suggesting anything of the sort; I am just asking for information.

Mr. ILSLEY: There is a long and very carefully worked out order in council which sets out the procedure, but that does not do away with the necessity of judgment being exercised at some point as to whether certain items should be paid out of the war appropriation or not.

Mr. HANSON (York-Sunbury): That is a very interesting statement. I confess at once that I cannot possibly read all the orders in council that have been passed by

this government, some thousands in the course of the year. No human being could undertake to do it. I should be glad if the minister would have a copy of that order in council sent to me. It might have been useful if he could have read it to us here to-night. But the statement that the matter has been given great consideration is reassuring. Of course I have always felt that the treasury board is a safeguard to the public. I know in the days when I was on the treasury board we sharpened our pencils and went at it, and we always felt, after a treasury board meeting, that we had earned a good day's pay by savings to the country. I hope my hon. friend and his colleagues feel the same satisfaction that we used to feel when we cut down a Buick car to a Ford for some militia officer; for in peace time I always found that the higher the rank of the officer, the more expensive car he wanted; usually we limited them to Fords.

Mr. POWER: Your colleague sitting alongside you (Mr. Stirling) did not appreciate your efforts.

Mr. HANSON (York-Sunbury): He was not there then. I am glad to hear the minister give that assurance as to the safeguards being observed with respect to the proper allocation of these moneys. My fear was—he has to a degree dissipated it—that items which should be charged to peace-time activities might be charged to war account.

Mr. MacNICOL: Can the minister give the committee details of how the amount of $1,300 million was arrived at?

Mr. ILSLEY: Yes. For national defence the estimate is $1,261,226,524. I am afraid I shall have to revise that. There has just been an adjustment made in one of these figures, so I shall leave it to my colleague the Minister of National Defence for Air (Mr. Power) to give the exact figures, if he has them.

The army figure is $666,574,659: naval services, $181 million; and air service, $421 million odd, with a credit of about $40 million expected to be recovered from other commonwealth governments. Those are the main items. My colleague the Minister of National Defence for Air says that the amount expected to be recovered from other commonwealth governments is not $40 million but $35 million.

Mr. DOUGLAS (Weyburn): Does that include the commonwealth air training plan?

Mr. ILSLEY: Yes, everything. Those are the three services, the three defence departments. Then, through the Department of Munitions and Supply, it is expected that about $180 million will be expended; and through other departments, about $32 million.

Mr. HOMUTH: Does the $180 million for munitions and supply include the new buildings that were constructed?

Mr. ILSLEY: Yes. Then there are some other minor expenditures which I am afraid I cannot give accurately at the moment. As I said in my speech, the total of the estimates that have been submitted will come to perhaps $150 million over the $1,300 million. But the figures I have given will substantially cover the sum of $1,450 million that I mentioned.

Mr. MacNICOL: Have all the amounts that go to make up this $1,300 million been definitely figured out to arrive at a definite amount?

Mr. ILSLEY: Oh, yes. Of course the hon. member will realize that this is not like estimating peace-time expenditure, where rather close estimates can be made. There are so many uncertain factors involved in these estimates that they may be very wide of the mark. The figure for the army, for example, is made up of the estimated cost of various programmes allowing for a certain percentage of wastage. There is an enormous amount of detail; but after the figures are arrived at, various qualifying factors come in.

Mr. MacNICOL: This is more or less like a blank cheque.

Mr. HOWE: How many shells are you going to shoot? That is the main thing.

Mr. ILSLEY: I gave at least three factors of uncertainty. There is the question of wastage, the amount of ammunition used—that depends on the nature of the warfare that develops—there is the question, how much of this amount for the Department of Munitions and Supply will be recovered; that is, how much duplication there will be? There is also the question of deliveries, which to a considerable extent will depend upon the promptness with which parts, principally machine tools, can be obtained from the United States, from which country it is necessary to import them.

Mr. MacNICOL: When the minister was speaking to this motion he said:

> In view of these various uncertainties I thought it preferable not to ask at this time for the total of the estimates which have been submitted.

At the time I thought the amount was more or less uncertain; that is why I have been trying to get a break-down of this amount of

$1,300,000,000, which certainly is a very large sum of money. Having in mind the fact that at the time of the great war gold was valued at $20.67 per ounce, whereas to-day it is $35 in New York and $38.50 here, could the minister tell us what this $1,300,000,000 would have amounted to at the time of the great war, bearing in mind the difference in the price of gold? In the last analysis, it seems to me that to-day $1,300,000,000 is not such a large sum of money, having in mind the value of gold at the time of the great war compared with to-day.

Mr. ILSLEY: I feel sure that it would be greater than at the end of the last war. That would not depend upon the value of gold; it would depend upon the price level, and it is my impression that the price level at the end of the last war was considerably higher than it is to-day.

Mr. MacNICOL: I was thinking of it in reference to the price of gold during the great war.

Mr. ILSLEY: I do not think that has anything to do with the matter.

Mr. DIEFENBAKER: I should like to ask the minister a question arising out of the statement he made, as reported at page 823 of *Hansard*, with regard to advances of money being made by the Department of Munitions and Supply in order to assist private corporations in the construction of necessary plants and equipment. The minister said:

> Large sums of money have been advanced, and additional sums will be advanced, to contractors to pay for adding to their plants or to build new ones. Additional sums will be advanced to provide working capital.

Does that mean that there has been any departure from the scheme that has been in operation during the past year, under which advances were made only for the purpose of assisting in the construction of plants?

Mr. ILSLEY: Some sums have already been advanced for working capital.

Mr. DIEFENBAKER: What is the total of the advances made during the past year for this purpose?

Mr. HOWE: Advances for working capital are made only in the case of government owned plants. There have been perhaps three or four instances in which money has been advanced to private contractors for working capital, but that has always been under the direction of a trusteeship. They have been accountable advances to help contractors carry on contracts that were too large for their financial position; that is, contracts which they could not finance through their banks. In those instances we have appointed

one or two trustees, as the case might be, to watch the expenditure of this money and to recover it. I believe all such advances have been recovered, and I doubt whether at the moment there are outstanding any capital advances to private contractors.

Mr. DIEFENBAKER: What is the anticipated amount that the Department of Munitions and Supply will advance to private contractors during the current year?

Mr. HOWE: I know of no plan for advancing working capital to private contractors during the current year. As I have said, we have made such advances in four or five instances. I know an advance was made in one instance to an aircraft company to finance the purchase of materials until they could deliver their planes, and I know of two or three other instances of that nature. As I stated, moneys so advanced have been under the direction of a trusteeship. The money has been turned over to the trustees to advance to the company, and to recover from the company. It is my impression that all those transactions have been closed; that is, the working capital has been paid back to the government, and none is outstanding at the moment.

Mr. DIEFENBAKER: The question I am asking is, how much was advanced during the past year and what is the anticipated amount of such advances for this year? During the course of his remarks the Minister of Finance made this statement:

> . . . additional sums will be advanced to contractors to pay for adding to their plants or to build new ones.

I am asking two questions based upon that statement. First, what was the amount of the advances made last year? Second, what is the amount of the anticipated advances for the current year?

Mr. HOWE: Capital assistance, funds expended in creating new facilities, to wholly owned government companies totalled $16,703,000 up to January 31, 1941, and capital assistance to private companies amounted to $42,297,000 up to the same date. Those are all capital advances for the construction of new facilities; there is no working capital shown in this statement. As I have said, it is my impression that at the moment there are no outstanding working capital advances to private companies.

Mr. DIEFENBAKER: Then do I understand that advances to private companies for the construction of new facilities have not been all repaid?

Mr. HOWE: Of course not. Some of the facilities covered by such advances are still under construction. The ownership of the facilities, however, rests with the government.

Mr. HANSON (York-Sunbury): That is your security.

Mr. HOWE: That is the security, and only after the war is over will the advances be liquidated.

Mr. COLDWELL: I was just going to ask a question along those lines. What is the arrangement with regard to the retirement of these advances? The minister states that the crown owns these facilities; I take that to be the fact.

Mr. HOWE: That is correct.

Mr. COLDWELL: Is any provision made for the depreciation of these extensions? If so, over what minimum and maximum periods does this depreciation run? I am asking this question quite deliberately, because I have heard it stated that in these contracts in some instances there is a very short period of depreciation, under which the ownership will pass from the crown to the original owners of the factory in a very short time. I should like to have that point cleared up; that is in connection with the privately owned plants.

Mr. HOWE: It is difficult to recall all the types of contracts we have. Of course, under the ordinary practice, where a plant has been built at public expense for a private owner, the private owner operates that plant for the government, sells the material at cost and receives a management fee for managing the plant. In that case no question of depreciation is involved. The government owns the plant and owns the product of the plant. That is true also if it is a British government plant, as many of them are; and it also holds true if the product is partly for the Canadian and partly for the British government, as happens in many instances.

I am trying to cast my mind around to see if we have any instances of the kind to which my hon. friend has referred. In some instances we install specialized machinery for a particular type of production in a privately owned plant. But there again the machinery remains the property of the crown. The price of the product is adjusted, having in mind the fact that the machinery is owned by the crown; and there is no provision that the ownership in the machinery passes to the private company. At least I can think of none. At the end of the war we own our machinery. We have been getting the advantage of owning the machinery by the adjustment in the price of the product. In other words, no depreciation factor has been involved in the price to us. Whether or not there is a contract outstanding which does provide for depreciation, I cannot say. I do not recall any at the present time, but I shall be pleased to inquire.

Mr. COLDWELL: I wanted to know if it was a general practice. If the minister cannot recall any examples, I suppose we may conclude it is not a practice.

Mr. HOWE: No, it is not a practice.

Mr. MacNICOL: I should like to ask a few questions in connection with the purchase of machinery. I was in western Ontario last week, and while there I heard a story. I do not know whether there is any truth in it, but the fact is it had to do with the purchase of machinery from a company in the United States. I do not wish to mention the name of the man who gave me the information, nor do I say it is true. He told me, however, that he had inquired from a machine company in the United States respecting the purchase of a certain machine, and that he had been quoted a price. But, upon making an attempt to buy it, he received orders to make the purchase through, I presume, one of the companies set up by the government—

Mr. HOWE: The Citadel Merchandising Company Limited.

Mr. MacNICOL: —to buy machinery. When the machine arrived, having come in a roundabout way, it was said it was priced much higher than it would have been had it been bought direct. Is such a condition possible?

Mr. HOWE: All machinery to be paid for by the government is purchased through the Citadel Merchandising Company Limited, so that we may take advantage of mass buying, and so that the government can itself supervise the purchase of machinery.

Mr. HANSON (York-Sunbury): That is the government's own company.

Mr. HOWE: Yes. The president of the company is Mr. Thomas Arnold, and the directors are L. J. Belnap, C. E. Gravel, J. E. Johnson, president of the Canada Cement company, and F. K. Morrow of Toronto.

Mr. HOMUTH: How many of them have ever had experience?

Mr. HOWE: I believe Mr. Belnap has been in the machinery business all his life, as has Mr. Arnold.

Mr. MacNICOL: Manufacturing?

Mr. HOWE: No, handling.

Mr. MacNICOL: A jobber?

Mr. HOWE: Handling machine tools. Mr. Belnap at one time was a partner in a firm in Montreal which dealt in machine tools. Later he became president and general manager of the Worthington Pump company of New York, one of the largest tool companies in the country.

Mr. HANSON (York-Sunbury): Absolutely.

Mr. HOWE: Is the hon. gentleman a shareholder?

Mr. HANSON (York-Sunbury): No, but I know the company.

Mr. HOWE: Mr. Thomas Arnold has dealt in machine tools most of his life. Mr. J. E. Johnson, president of the Canada Cement company, is one of the greatest users of machine tools, and Mr. Morrow is a man whose business judgment is respected throughout Canada. I know these men meet at least once a week, and I am told that on occasions they meet at least two or three times a week. I have great confidence in the work they have done in an exceedingly difficult field.

I might say that the machine tool problem is the bottle-neck of the war effort in England, Canada and the United States; and I believe the Citadel Merchandising Company Limited have obtained deliveries of machine tools for Canadian production which place us in a rather fortunate position as compared with either Great Britain or the United States.

Mr. MacNICOL: I am not saying there is anything wrong, nor am I casting any reflections upon any subsidiary of the government; but I should like to know if the condition I have described is possible. For the convenience of the minister I shall repeat what happened. A party inquired in the United States for a price on a large machine, a type with which I am thoroughly familiar. He could not buy it, although he had been quoted a price for which he could buy it. Apparently he had to buy it through some subsidiary company, or some company handling machinery for the government. On receiving the machine from the company he found it cost him more money. Is that possible? If the government has set up some company to act as a purchaser of machines, should a machine cost more when it is purchased through the government's company than if it were purchased direct from the manufacturer in the United States? I believe in this instance the person had to purchase it through the subsidiary of the government. In my judgment, the machine should not cost more to the Canadian purchaser if he purchased it through a government channel than if he purchased it direct from the manufacturer.

Is it possible that in this particular instance the machine could have cost the Canadian purchaser more than the price at which he could have bought it direct? I do not say that such a thing did take place; but the gentleman told me that that was what happened. He was not charging anybody at the time, but was just wondering what kind of business was being done.

Mr. HOWE: I think it is the duty of a member of parliament, if he hears a charge of that kind, to get particulars, supply them to the department and let us check up. I would say it is impossible that that could have happened.

Mr. MacNICOL: I am glad to hear that.

Mr. HOWE: I believe the Citadel company is securing tools economically, even in the type of market in which they have been buying in the last year.

Mr. HANSON (York-Sunbury): That was the intention of setting up the company, was it not?

Mr. HOWE: Yes, certainly. Obviously, we could not have private manufacturers going out and making their own transactions in connection with machine tools, when the government will own and pay for them. That would be quite impossible. We must have a central authority through which orders are placed, and which will take the responsibility of stamping with the government's stamp, and protecting the ownership in the tools. We believe the company is operated efficiently, but if anyone brings us evidence that it is not so operated, we shall be glad to examine the situation and see that it is straightened out.

I believe, however, that, instead of passing on rumours of that kind, it would be the duty of a member of parliament to get the particulars of such a transaction, and turn them in to the Department of Munitions and Supply. That is the only way of which I know whereby we could check transactions of that kind. I believe rumours should be stopped immediately by asking for the exact details.

Mr. MacNICOL: I am glad to get the minister's explanation. When the story was told to me, I asked the gentleman if I might use his name, but he said, "Oh, no, do not do anything like that."

Mr. HOWE: I suggest to my hon. friend that under the circumstances it is not wise to spread a rumoured transaction of that kind all over the newspapers of Canada.

Mr. MacNICOL: I have heard quite a good deal of talk along that line, and I am within my rights to ask for the minister's assurance that such is not possible. If he says it is not, then I am satisfied that the rumour is not correct.

One further question: A few days ago I visited a large plant to which a large addition is being erected. I presume the money to build that addition is being advanced by the government.

Mr. HOWE: What plant was that?

Mr. MacNICOL: Are contracts for such additions let by the government or by the company for whom the addition is being erected?

Mr. HOWE: Sometimes one way and sometimes the other, but the details of the contract are always subject to the approval of our construction branch. The plans and specifications are approved by that branch, and it supervises the expenditures. Sometimes tenders are called for by the company itself, especially when a contractor may have a specialized knowledge of the layout required. In such a case, however, the plans and specifications are approved by the government. The prices received are submitted to the government, and the selection of the contractor is made by the company with the joint approval of the government.

Mr. QUELCH: Would the minister give a resumé of the government's action in connection with borrowings since the declaration of war? First, I should like to know the amounts which have been borrowed from the chartered banks, the dates of maturities, the interest rates, the percentage of the loans used for refunding and the percentage used for current expenditure. I should like to know also the extent to which deposits were expended as a result of those borrowings. If possible, I should like the minister to state what the government action will be with regard to the repayment of these loans. Will it be done by further borrowings from the chartered banks, or will it be done by the payment of legal tender? I noticed a statement in the paper that these loans by the chartered banks were to be repaid by legal tender. Is that to be done, or will there be further borrowings from the chartered banks?

Mr. ILSLEY: I cannot give that information to-night because that will require the preparation of a careful statement.

Mr. QUELCH: Will the minister give that during the course of the debate?

Mr. ILSLEY: I can if it is the wish of the committee that this resolution should remain in committee past eleven o'clock. I can give that when the committee meets again, or it could be given on the bill.

Mr. QUELCH: Would the minister include in his statement information with regard to borrowings by bonds and by savings certificates?

Mr. ILSLEY: I will give what information is available. I am not just sure that I can give all that information, but I will give what I can.

Mr. ROSS (Souris): Will any of this appropriation be used for the Department of National War Services and, if so, what amount?

Mr. ILSLEY: The estimate submitted for the Department of National War Services is $1,948,252.

Mr. ROSS (Souris): Is that the total expenditure?

Mr. ILSLEY: That is the estimate of the amount to be taken out of this appropriation for the Department of National War Services.

Mr. HANSON (York-Sunbury): Why should we not have a break-down of the estimates for these different departments?

Mr. ROSS (Souris): Will that amount take care of the department for the whole year, or will there be something later on?

Mr. ILSLEY: If this were a peace-time estimate, it would be all that the Department of National War Services could get without a governor general's warrant or another vote, but under the War Appropriations Act that is not the situation. If it is desired, we could give a break-down of that amount, but there would be nothing final about it. The final amount might be more or less.

Mr. HANSON (York-Sunbury): Subject to this order in council.

Mr. DIEFENBAKER: According to the Minister of Munitions and Supply, advances to these private companies during the past year amounted to $42,297,000. I should like to know from the minister how much it is anticipated will be advanced during the next fiscal year. I should like to know the largest amount advanced to any one company last year, and the name of that company.

Mr. ILSLEY: The hon. member's questions are on *Hansard*, and I shall have to get that information.

Mr. NICHOLSON: Last year we passed a vote calling for the expenditure of $700,000,000. Could the minister break down that vote to show how much was expended under the four paragraphs of this resolution?

Mr. ILSLEY: No, I could not. That vote was not allocated to the four paragraphs.

Mr. BLACK (Cumberland): Where can an hon. member obtain a statement of expenditures on specific undertakings, such as Federal Aircraft or the Debert military development?

Mr. POWER: With regard to the airport and military camp at Debert, if the hon. member will ask a question I shall endeavour to get the information. I would have particulars as to expenditures but not as to payments made. Usually the payment is made some time after the expenditure.

Mr. BLACK (Cumberland): This was originally an emergency landing field but it has been developed into a large military camp. Where shall we be able to get the total expenditures made on that camp?

Mr. POWER: The Department of National Defence would have that.

Mr. BLACK (Cumberland): Will it appear in some return submitted to parliament, or shall we have to ask for information with regard to each one of these undertakings?

Mr. HANSON (York-Sunbury): If the question is asked here, the information should be given, provided the minister has it available.

Mr. POWER: We shall be only too glad to give any information asked for. Eventually this would appear in the public accounts, but it might be hard to find the information in connection with a military camp like the one at Debert. I do not know whether there are, but it is quite possible that there have been roads constructed in connection with this camp and there might be a dozen different items throughout the public accounts. It would take one who was accustomed to perusing the public accounts to find everything relating to the Debert military camp. If my hon. friend wants the expenditures to date, there would be no trick in getting them.

Mr. BLACK (Cumberland): I should like the total expenditures and the total commitments made with regard to the Debert military camp and airport. Would the Minister of Finance advise the committee the practice with regard to payments? I have had a number of complaints, and I know the minister has had many more, in connection with delay in the payment of accounts. Sometimes these commitments involve the total capital or the total credit of a company.

Mr. ILSLEY: The comptroller of the treasury must verify the facts, and when the facts are verified the account is paid. What the specific steps are that are taken for the purpose of verifying the account, I cannot say at the moment, but I can get that information if it is of interest to the hon. gentleman. It is a matter of detail.

Mr. HANSON (York-Sunbury): The principles are laid down in the statute, are they not?

Mr. ILSLEY: Yes, I think so.

Mr. HOMUTH: Months and months have gone by after the delivery of goods, but firms have received no payment yet, and they have been very much embarrassed. The banks will no longer advance them money, and that is a very serious matter for some of them. I cannot understand why, two or three or four months after the goods have been delivered, no payment has yet been made.

Mr. ILSLEY: There is often a reason which is not the fault of the comptroller's staff. Sometimes delays may take place because the comptroller's staff is understaffed or something of that kind. There has been a continuous increase in the number of appointments of accountants, auditors, clerks and others working for the comptroller of the treasury, trying to keep up with the great increase in the work of the office. I know that in many instances it has not been the fault of the comptroller or the fault of his staff that delays have taken place.

Mr. MacNICOL: I should like to ask the Minister of Munitions and Supply one more question. If company "A" desires to buy a steel shearing machine, must it obtain permission to buy that machine from the Citadel company which has been set up by the government and to which the minister has referred?

Mr. HOWE: If company "A" is buying a shearing machine with its own money, it does not need to refer to Citadel at all, except of course at the present time, to buy a tool from the United States, there must be a clearance from the United States government. As my hon. friend knows, the export of machines is by special permit, and usually in such a case Citadel is asked to get the release, but Citadel does not handle the account in any way if it is a transaction between two private firms.

Mr. HANSON (York-Sunbury): In other words, Citadel is given priority.

Mr. HOWE: Yes. Usually as a matter of convenience, priority is obtained through Citadel, which keeps its own officer in Washington for that purpose. In that way it may

be interested in the transaction, although the money is paid direct from one company to the other.

Mr. MacNICOL: Citadel does not direct company "A" to the company from which it must buy the machine?

Mr. STIRLING: Nor is Citadel buying machines for private firms?

Mr. HOWE: No. Perhaps I had better qualify that. Citadel buys machines which the government will own, and which it sometimes installs for a private plant. My hon. friend will understand that we sometimes equip a private plant to do work for the government, but the tools will remain the property of the government.

Mr. HANSON (York-Sunbury): I would ask the Minister of Finance to bring down to-morrow or as soon as convenient a statement of the expenditures and commitments up to the latest date for which the information is conveniently available with regard to the cost of the thirty-day training plan. I was in communication with the Minister of National Defence (Mr. Ralston) about the matter and he undertook to get me these figures, but they have not yet been made available.

Mr. POWER: They will certainly be available to-morrow. I saw the letter here to-night.

Mr. HANSON (York-Sunbury): I would think they are available and I would like them spread on the record, with the breakdown, if the department has it, showing the amount that was allocated for the scheme out of the 1940 appropriation to be spent (a) by National Defence, and (b) by War Services; also how far the activities of War Services go, and the expenditure in that respect before these men are handed over to National Defence for training. My understanding is that under the present practice War Services calls the men up, pays for their preliminary medical examination and gives them their transportation, all of which of course is charged up to this vote. Then, at the training centre these men are delivered over to National Defence, and from then on the expense in respect of these men is for the account of National Defence until they are paid off, when they are re-delivered, so to speak, to War Services, which transports them back to their homes. I think that is the modus operandi. The deputy minister of war services gave me an item, on request, but it did not include expenses for transportation either way, on the theory that the bills had not come in. I can hardly understand that. I am not doubting his word for a moment, but these men were called up in October.

Mr. POWER: I am not sure about their transportation home. I imagine they would go home at the expense of National Defence. I am not clear on that, but certainly War Services pays transportation to the camp.

Mr. HANSON (York-Sunbury): If the minister, who knows much more about the matter than I do, says that the men return home at the expense of National Defence—

Mr. POWER: I think so.

Mr. HANSON (York-Sunbury): —then that should be included.

This appropriation includes the cost of housing, the hutments. I should like to have the break-down of the cash expended for that purpose up to the end of January, if that is available. That may be too recent a date, but certainly the expenditure up to December 31 last, and the commitments up to that date, should be available. I should like to have the amount of the appropriation for that purpose and the amount out of that appropriation still available to be paid, in as full detail as possible. I am sure they have that information at the department, and we would like to have it as a basis for further questioning. As it is now nearly eleven o'clock, I would suggest to the minister that we rise and report progress.

Progress reported.

On motion of Mr. Lapointe (Quebec East) the house adjourned at 10.58 p.m.

Friday, February 21, 1941.

The house met at three o'clock.

RAILWAY ACT AMENDMENT

PROPOSED APPLICATION OF CROWSNEST PASS RATES ON GRAIN WESTWARD AS WELL AS EASTWARD

Mr. THOMAS REID (New Westminster) moved for leave to introduce Bill No. 15, to amend the Railway Act.

He said: This bill proposes a slight amendment to section 325 of the Railway Act. The purpose of the amendment is to rectify what was omitted when the Railway Act was last amended by parliament in 1925, by granting to the people of British Columbia the same consideration in the matter of freight rates on all grains and flour to the Pacific coast as was given to the other provinces at that time. The adoption of this amendment will not only remove a grave injustice of many years' standing, thereby enabling the people of British Columbia to procure their flour and feed grains at costs comparable to those in other

provinces, but will also provide a wider market in British Columbia for the surplus wheat held in the three prairie provinces.

Motion agreed to and bill read the first time.

DECENNIAL CENSUS

INQUIRY AS TO DECISION TO PROCEED IN 1941 AND APPOINTMENT OF COMMISSIONERS

On the orders of the day:

Mr. A. M. NICHOLSON (Mackenzie): I should like to direct a question to the Minister of Trade and Commerce (Mr. MacKinnon). Has it definitely been decided by the government to proceed with the two million dollar expenditure in connection with the taking of the 1941 census? If so, when will parliament be advised as to the names of the commissioners for the various constituencies?

Hon. J. A. MacKINNON (Minister of Trade and Commerce): The hon. member for Mackenzie has just sent me notice that he proposed to ask this question this afternoon. Preliminary arrangements have been made for taking the census this year. I understand that census commissioners have been appointed.

I may say that if the census is proceeded with, enumerators will be selected from all parties, returned men in all cases where available, and women where practicable.

Mr. HANSON (York-Sunbury): There is much virtue in an "if," but what about the "if"? We should have a statement of policy from the government now.

Mr. MacKINNON (Edmonton West): I think I have answered the question as fully as I can at the present moment.

WAR APPROPRIATION BILL

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

The house resumed from Thursday, February 20, consideration in committee of a resolution to provide sums not exceeding $1,300,000,000 for the year ending March 31, 1942, for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Bradette in the chair.

Mr. POULIOT: Some little discussion has taken place on this resolution in this house and in this committee since the beginning of the week. What I have not heard of it I have read in *Hansard*.

I have been in politics for quite a number of years, and amongst the rank and file members of the Liberal party there is only my friend the hon. member for St. Mary (Mr. Deslauriers) who is my senior. Therefore I can speak with the experience of years in active politics and in debate in this house. On the other side of the house I see my dear old friend the independent member for Comox-Alberni (Mr. Neill), and one of the members from Toronto (Mr. Harris), who is very jovial when he wishes to be, or when he is not frowning. There is the leader of the Cooperative Commonwealth Federation (Mr. Woodsworth), who has always been very kind to me as a colleague. Then in the cabinet itself there is my chief, the Prime Minister (Mr. Mackenzie King); there is my beloved leader for the province of Quebec; there are the other ministers from Quebec and the Minister of Mines and Resources (Mr. Crerar), all of whom are senior to me here. Other ministers I have seen come and go, and with one or two exceptions I hope those who sit on the treasury benches to-day will remain there for a long time.

The air is thick and unbreathable. I have never witnessed such backstage intrigue as there is now in high quarters. I am disgusted with the ways in which intrigue is being carried on in the holy name of patriotism when we know that behind it is a group of scoundrels, buccaneers, racketeers, pirates, who are trying to get hold of Canada's wealth for their own purposes. It is hateful; and whether it comes from Winnipeg, Vancouver, Toronto or this city of Ottawa it is no less shameful. We do not want to see the few enriched at the expense of the many. We want to see our soldiers well clothed and well armed, given useful weapons with which to gain the victory. We do not want any slackers in uniform to infest some of the branches of the Department of National Defence, such as that of the judge advocate general; and I know what I am saying. I do not hate Tories, but I hate Toryism, especially under the guise of Liberalism.

I do not see my revered chief in his seat to-day, but I am sure he remembers when I was a young member and came to him for assistance in connection with the difficulties confronting me. He has always been very kind. Sometimes I was indignant when he refused me, when I was fighting for the good cause of freedom and liberty for which our soldiers are fighting now on the soil of England. I believe they should be here to protect our families in Canada, in sufficient numbers and properly equipped to give us all a feeling of security. I remember our beloved leader in the province of Quebec when he was still a young lawyer at Rivière du Loup; in those days he, too, was very kind to me. We have fought many battles together. I remember on

one occasion having dinner with him in Quebec city, on the day he was to give his decision to the electors of Quebec East, Sir Wilfrid Laurier's old seat. The Minister of Justice (Mr. Lapointe) was grieved to have to leave his dear electors of Kamouraska county, who had given him his start in public life.

There are other ministers who have been kind to me, and whom I have supported against the Tories and against hypocrites of every description. Starting in the west there is my hon. friend the Minister of Pensions and National Health (Mr. Mackenzie), who, I am sure, remembers the days when the Bren gun matter was discussed. One afternoon about three o'clock, after one of the Tories from Toronto had spoken, I rose in my place to defend the minister; and although *Hansard* does not record it, I was so pleased to hear my chief the Prime Minister say, "hear, hear" when I was giving h . . . to the other side. Then there is the Minister of Trade and Commerce (Mr. MacKinnon), who comes from Alberta. At one time he was the lone Liberal member from that province, but thanks to his good work and popularity the Liberal representation from Alberta is much larger now, and it is very brilliant. Then there is our friend the Minister of Agriculture (Mr. Gardiner), who is a born fighter. Sometimes I do not agree with his policies, but he is a Liberal to the core, and he is the kind I like.

Passing over Manitoba and coming to Ontario, we come to Windsor. I was the Liberal member who spoke on behalf of the party at the nomination of the Minister of Labour (Mr. McLarty), who, I believe, is one of the best members of the cabinet and who has a secretary well worthy of him. They both have the spirit of the old school. Both are broad-minded; both are liberal minded; both are worthy of the confidence that is reposed in them. Then there is my hon. friend the Postmaster General (Mr. Mulock), my friend of all time, my right arm in the civil service committee. We fought and won many battles together, and no one was more pleased than I when he took over the Post Office Department. There is also my hon. friend the Minister of National Revenue (Mr. Gibson), who is doing very well. He is a young man, but his merit has been recognized by his chief and his colleagues, and we are all proud of him.

Coming to the province of Quebec, I have already spoken of my leader there. There is also my hon. friend the Minister of National Defence for Air (Mr. Power). He is all right. He is just as bright and as conscientious as he could be. His only trouble is that sometimes he is betrayed by those under him, but he is clever enough to realize who is responsible and to deal with such matters himself. I remember when we prepared political campaigns together. Those were the happiest days of my life; I enjoyed them very much, because we had discovered the truth to tell the people. Then there is my hon. friend the Secretary of State (Mr. Casgrain). I am sure one of his proudest recollections is that of the day when he came to Trois Pistoles to protest against the gerrymander which was being carried on by the Tories. At that time he spoke to an enthusiastic crowd of ten thousand people, who were cheering all the Liberals and giving something else to the other party. There is also my hon. friend the Minister of Public Works (Mr. Cardin), who is not well at the present time and to whom we wish a speedy recovery.

Going down to the maritimes, there is my hon. friend the Minister of Fisheries (Mr. Michaud). I remember being at Campbellton at the side of the Prime Minister, who was then leader of the opposition, supporting the Minister of Fisheries in his first campaign to become a member of this House of Commons. At that time, as I remember, two mass meetings were held simultaneously in the two theatres in the city, and when the leader of the opposition and some other persons tried to express their views only two or three dozen people stayed to listen to them.

Turning now to Nova Scotia we find representing that province two brilliant members of the cabinet. There is the Minister of National Defence for Naval Affairs (Mr. Macdonald), who now occupies the seat of Kingston City, the traditional constituency of Sir John A. Macdonald, and who is doing well in his department because he is an honest man. I pay the same compliment to the Minister of Finance. I remember, in days gone by when the party was in opposition, we were both in the attic. We were neighbours, our rooms were close together, and when I wanted to coin a phrase to damn Mr. Bennett he was my Webster.

I rise to congratulate among others the hon. member for Trinity (Mr. Roebuck) upon the excellent speech he made yesterday. He belongs to the old traditional school, and when he speaks he is listened to. When he says something it carries weight.

Let us come now to the tremendous sum which we are asked to vote in this resolution. It represents one-half of the total debt of Canada from confederation until now. It is a tremendous amount; everyone says so. And to meet the expenditures contemplated it has been suggested that we adopt the conclusions of the Sirois report. I am against it. I have published editorials in a French daily, which has the largest circulation in the province of Quebec, in order to set forth my views on the

subject. I find that the work of that commission has been very costly, and it is no good.

What I warn every one against is the financial coup that is being prepared in the dark to give an opportunity to the few to enrich themselves at the expense of the many, including the taxpayers of the province of Quebec. And it is all done in the holy name of patriotism. It is a good example of national unity when the whip of Ontario shakes hands with the member who is now speaking from the province of Quebec.

I wish to congratulate the government upon something that appears in the official report of the dominion-provincial conference. I call attention to pages XIV and 67. One evening I was listening to the broadcast over station CBL, Toronto, when I heard the last sentences of the speaker, Professor J. A. Corry of Queen's university, who said: "We should not have nine small countries; we should have one great country." He was embarrassed and he said it in an undertone. The announcer then stated that those who wanted a copy of Professor Corry's talk might write to the Canadian Broadcasting Corporation, Toronto, and they would receive it. I applied for a copy but never got it. Instead, I received the following letter:

In reply refer to file No. 18-13R-22

55 York Street,
Toronto, Ontario,
January 14, 1941.

Mr. J. F. Pouliot, M.P.,

I beg your pardon; the name appears as J. F. Pontiot.

Mr. J. F. Pontiot, M.P.,
Box 414,
Rivière-du-Loup, P.Q.

Dear Mr. Pontiot:

We regret the delay in replying to your card of December 21. The substance of the interview which you heard on the Rowell-Sirois report is contained in a ten cent pamphlet, "Confederation Marches On" by Mr. R. M. Fowler.

A complete summary of the whole report is contained in two volumes (40c. each) published by the Canadian Institute of International Affairs.

All of these can be obtained from any bookstore.

Yours faithfully,

C. R. Delafield,
Programme Division.

I did not know that the Canadian Broadcasting Corporation carried advertisements for any bookstore.

A big paper, *L'Action Catholique,* published in the province of Quebec, carried three articles of mine, the conclusion of one of which was as follows. I will translate it.

About fifteen days ago I heard over station CBL, Toronto, Doctor J. A. Corry, a professor at Queen's university, declare: "We shall not have nine small countries, we shall have but one great country in Canada." The announcer informed the audience that they could get copies of the talk by writing to the Canadian Broadcasting Corporation. I did so but am still waiting for the pamphlet. I feel indignant at the idea that this crank has been appointed secretary of one of the special committees of the conference which opens on Tuesday next in Ottawa and which will examine the recommendations of the commission for the purpose of discussing the commission's findings upon markets and marketing, fisheries, insurance, company regulations, economy in administration, research and statistics, conferences between the dominion and the provinces, transportation, interprovincial trade barriers, et cetera.

Such a lack of tact justifies his immediate dismissal if he was not the loud speaker of the government.

What delights me is that although this article was written only three days before the opening of the conference I find that, as set out on page 67 of the report of the conference, the secretary of the special problems committee was Mr. J. F. MacNeill of the Department of Justice. I commend the government for having dismissed the other gentleman in view of his want of tact. This is one thing, but Corry was speaking. Was he not speaking for the chancellor of Queen's university, Mr. Dunning, who is interested in several insurance companies, and who wanted to make a case for the adoption of this Sirois report in order that his companies might have an opportunity to make some money?

I will go further and draw the attention of the committee to Mr. Fowler, the young man who was discharged by Mr. Hepburn. He was one of the lawyers employed by the department of the attorney general in Toronto. In what office is he now? He is in the office of Leighton McCarthy, K.C., of Toronto. Who is Leighton McCarthy? He is an insurance man. He is a lawyer but he is also chairman of the board of the Canada Life Insurance company, and is a member of the boards of numerous other insurance companies.

Let us consider the Dominion of Canada General Insurance company. The total assets of this company are $264,000,000 and it holds $124,728,841 in government and municipal bonds. No doubt these holdings include many bonds and debentures of the prairie provinces. This company will benefit greatly if they are able to secure dominion government guarantees for these bonds. Then there is the

National Trust company. This company has total assets of $8,935,000. Then there is the Western Assurance company. This company has total assets of $10,000,000, and they hold $3,284,000 of government and municipal bonds. Then there is the British America Assurance company with assets of $6,449,000 and holding bonds totalling $2,022,000.

Then we have the bank of Nova Scotia, which holds dominion and provincial bonds to the amount of $40,786,000 and also $69,437,000. The bonds and debentures of the dominion and provinces held by these insurance companies total approximately $250,000,000. I would suppose that three-fifths of that amount, or $150,000,000, would be made up of dominion bonds and debentures and that of the balance one-half would be debentures of the prairie provinces. They come here like Calais burghers with a rope around their necks asking us to change the constitution of this country because they do not know how to handle their own affairs. What is behind it? It is the same thing as went on during the last war. There is considerable intrigue to bring about a union government in order that the rich may become richer and the poor poorer. I am absolutely against it, and my electors are against it.

We are being asked to vote several hundred million dollars in order to buy up stock of the Canadian Pacific Railway and bring about a disguised amalgamation of our railways. I ask the leader of the opposition (Mr. Hanson) to consider that. He never has the ear of the house as I have now. I have it because I tell the truth. There is nothing behind what I say; I speak openly. What have we here? There is to be repatriation of funds which never belonged to the Canadian people. What is going on? We have intrigue for a union government. It is just a case of these people being afraid to miss the bus. They are trying to take advantage of the war in order to bring about an amalgamation of the railways. We have Portage avenue in Winnipeg, Queen street in Toronto and St. James street in Montreal.

I have before me a number of clippings from the morning papers. There is one in the Montreal *Gazette* entitled "Party Lines Should Go." The next one is from the *Globe and Mail* entitled "National Ministry Imperative." Then the Ottawa *Journal* contains one entitled, "Mr. Hanson Again Urges National War Government." In the Ottawa *Citizen* we find one entitled "Loyal Opposition Aid." Then there is the rottenest of all, the Winnipeg *Free Press,* the paper of Victor Sifton of the Sifton family, who is now master-general of the ordnance under the Minister of National Defence (Mr. Ralston), and he is the owner of the Winnipeg *Free Press;* he is the man who gives orders to his scribes and slaves to cast slurs upon the colleagues of the Minister of National Defence. All this in the name of patriotism.

I come back to the Great West Life Assurance company. This company holds a formidable amount of the debentures of the prairie provinces. You know that, Mr. Chairman, and you know also that the Minister of Mines and Resources is a director of that company. He boasts of that fact in the Parliamentary Guide. The figures are incredible. This company has total assets of $167,000,000 and it holds bonds and debentures of the dominion and provinces to an amount of $87,452,000. This company, of which the Minister of Mines and Resources is a director, have one-half of their assets frozen in bonds and securities of the prairie provinces. They now want to change the constitution completely; they want to undo what has been done in the past because of their inability to manage their own business.

Do you think that I am going to expose myself to a headache by attempting to analyse the silly figures that appear in these thick reports which are impossible to read? Moreover, those reports do not contain accurate information; they contain fake information. They do not tell us what is going on, they attempt to prevent us from understanding what is going on. This is the result of a work which cost this country half a million dollars, if not more. I am fed up with it. I think it is about time the Minister of Mines and Resources was appointed president of the Great West Life Assurance company. We will then all subscribe toward getting him a satchel with which to go to Winnipeg.

There are two other ministers I wish to mention, the first being the Minister of National Defence. I was very fond of him until he went to St. James street. He is a very likeable man, full of amenity. He is a brilliant lawyer although he has no appeal to the masses. As I say, he is a most likeable man, but I was here a long time before he was. And when I was fighting Bennett I was not receiving $200 a day in fees from the

dominion government; I was fighting Bennett on behalf of the Liberal party. I do not hesitate to repeat to my hon. friend what I had already said in the house when he was in England. He told us that there should be no party politics in war. Am I right in that? Well, if it is all right for me, it should be all right for him; and if I cannot recommend any one of my electors to an appointment in the militia, I do not see how he can recommend anybody from Barclay's bank, of which he was one of the directors, and put him in the Department of National Defence, as in the case of Mr. Magee, or bring someone into the Department of Munitions and Supply, as was done with Mr. Borden. I do not suppose that only in Barclay's Bank of Canada are there to be found able men. I said that when he was away, and I say it now he is here. He may listen to me if he wishes. If not, it is his own business.

With regard to the Minister of Munitions and Supply (Mr. Howe), I will tell him that when I was fighting Bennett during the five years he was in power; when I was supporting the present Minister of National Defence, who was then the financial pundit of the Liberal party; when I was supporting and applauding the Minister of Munitions and Supply—I would like to see him here, not behind the curtain; he is smoking a pipe; I would like him to come into the chamber and listen to what I am saying—I was not building elevators for R. B. Bennett at different places in Canada. I have no lesson to receive from these gentlemen, because I am fighting the cause of the Liberal party for my chief, the Prime Minister of Canada. I am glad to see the minister being applauded by good Tories. But I am fighting the cause of the Liberal party for my chief in order that he shall not be stabbed in the back after they have burned enough incense under his nose.

With reference to this matter, one of the most serious that we have discussed, it is time to see that there is a master, and that the master should be the Prime Minister of Canada, my chief. We should see also that the working members of the cabinet should not be suffering the weight of intrigue or the trouble of intrigue from any of their colleagues or from anyone holding a responsible position under one of these gentlemen.

I shall be through in a moment, but there is something else I want to say. It is that some of these people have not always been

burning incense under the nose of the Prime Minister. There is the hon. member for Parkdale (Mr. Bruce), who said that the Prime Minister was well qualified for peace-time leadership, but that in war time his qualifications for peace-time leadership disqualified him for war-time leadership. That was said in May last. This is a copy that I have received from *Hansard*, and since I never correct my speeches and I rely on *Hansard*, I have this in my hand. He said:

> I have been a friend of the Prime Minister of Canada for many years and have admired his many excellent qualities. He was prepared, as few in this country have ever been, by long years of education and training in statecraft for public life. He is a man of high character, a man of peace. I wonder whether these qualities, which are so admirable in times of peace, are not the very qualities which disqualify him now in time of war.
>
> Some hon. Members: No, no.
>
> An hon. Member: Shame.
>
> Mr. Bruce: The Prime Minister's Asquithian attitude of "wait and see", or in other words, let public opinion become crystallized and then follow it, may have been good statecraft for a virile people in ordinary peace times, but it is not the attitude for war time.
>
> Mr. Grant: He was elected in war time.
>
> Mr. Bruce: It is now absolutely imperative that we have a man of action who will lead public opinion instead of following it. This man must have a strong and forceful character, must be one who will not be influenced by personal or private considerations, and will be ready to brush aside red tape and all other obstacles in the way of quick and decisive action. Last evening we had an illustration of party loyalty on the part of the Minister of Finance which was most commendable. When I listened to him I could not help the reflection that history may repeat itself and that what has happened in the mother country might with advantage happen here. The Minister of Finance enjoys the respect and confidence of both sides of this house, as well as that of the people of Canada generally. With his splendid war record, his undoubted ability in finance and law, his well known driving force and character, may I venture to suggest that he is the one man in the Prime Minister's cabinet—
>
> Mr. Martin: You are trying to undermine him.
>
> Mr. Bruce: —qualified and equipped to lead a war government. The Prime Minister of the United Kingdom was changed in spite of the fact that Mr. Chamberlain had very strong support in the House of Commons, 418 supporters as against the combined Liberal and Labour strength of 197, but he was forced by pressure of public opinion to hand over the seals of office to Mr. Churchill, a man of great energy and ability in whom the people had confidence.

The minister referred to, who was one of the colleagues of the Prime Minister, did not disavow what was said by the hon. member for Parkdale; he listened to him just as though he had been drinking honey and milk. Afterwards, when I denounced bitterly

any project of a union or national government, I was interrupted by the hon. gentleman from Prince Edward Island. I proceeded just the same. I said that, in spite of the fact that we are at war, we can make jokes occasionally, and it is not necessary to have long faces all the time.

I have fought against national government and I am fighting it now because I know very well that, as soon as there is no opposition, the sky will be the limit in matters of expenditure, graft, and so on. I do not say that the ministers themselves graft, but I say that they protect people who do graft. I can tell them what is being done at St. Paul l'Ermite at the expense of either England or Canada. Nobody knows who is responsible, but the war expenditure was supposed to be $5,000,000, and now it is $25,000,000. People are stealing every piece of material they can find there, and the foremen close their eyes. It is a scandal. I do not say that to denounce the government; I say it to denounce the scandals themselves, and it comes from a Liberal. The leader of the opposition was not astute enough to do that himself. He probably knew of what was happening; everybody knew of it; but he continued to praise those men, saying that they were marvellous men, high calibre men.

And now, what are we to have? We are supposed to have a union government; with Arthur Meighen; with a gentleman from Vancouver; with Stewart, the controller, the head of the Tories in Nova Scotia; all these people will come in, and when they are in they will stab our chief in the back. That is the programme, and I wanted to bring these matters to light in a very clear and unequivocal way, in order that there shall be no misunderstanding or mistake about it.

I have stood firmly for the Liberal party all my life. My father did so, when he was elected with Sir Wilfrid Laurier in 1896, when he denounced those who tried to stand in his way when he wanted some progress for his own constituents or for the country in general. I am true to the traditions of my grandfather, who voted against confederation because he found in it disguised unification. I am true to the traditions of my great-grandfather, who voted for the ninety-two resolutions, and who also gave his seat of Rimouski to Baldwin when he was defeated in York. Those were the Liberals of other times. When my father was fighting his way into parliament there were very few Liberals in the province of Quebec, and the propaganda they were using were the speeches of Blake, Cartwright and Mills, both in English and translated into French. That was the Liberal food which was being given to the people of the province of Quebec. I wonder what those great men of the past would say if they were here to-day. I am sure they would say: "Pouliot, you are right. What you are saying now is most unpleasant for you to say, but it is your duty to say it in order that the country may not go to the dogs."

I was born a British subject—

The CHAIRMAN (Mr. Bradette): I am sorry to interrupt the hon. member, but his time is up.

Some hon. MEMBERS: Go ahead.

Mr. POULIOT: My father was a British subject, and a loyal British subject. My grandfather was a loyal British subject and so were all my ancestors from the time that Canada was given away by France to England. Now that our king is the king of Canada, I am proud to be a loyal Canadian subject, and my son and grandson, like me, will be loyal British subjects.

So far as those gentlemen of whom I have spoken are concerned, I consider them so small that I shall pay no more attention to them. On the other hand, my interest in the state is supreme, and I think it is my duty, not only as a Liberal but as a good Canadian who is true to the best British traditions, to speak my mind freely in this house in order that the members who did not know what was happening behind the scenes might know it now.

Mr. RALSTON: Mr. Chairman, I do not propose to detain the committee for very long. I regret that my hon. friend (Mr. Pouliot) has seen fit to make a vicious attack upon me. He is quite entitled to do that if he sees fit, but it does seem to me that it is not entirely consistent with the professions of friendship he has made, a friendship which I have endeavoured, during my period in public life and all the time I have been in this house, to maintain with him.

I do not propose to permit the discussion of the resolution before the committee to be delayed by any personal references on my part. I consider this resolution to involve the most serious matters with which this country has had to deal since confederation. At the time of the debate last session to which my hon. friend referred, exactly the same situation existed. I was dealing then with an appropriation bill of $700,000,000 and was endeavouring to get the house into committee to consider it. I did not think it necessary at that time to beat my breast and proclaim my loyalty to my leader. I think I have endeavoured to show that by my actions during my lifetime

Nor do I need to take the time of the committee in referring to my ancestors. My hon. friend can go back and refer to his if he wants to. I have, however, rather distinct recollections of my own ancestry in the ranks of Liberalism, if that is of any interest regarding loyalty to my leader. I only want to say this, that I have been true to my leader. I have endeavoured, in season and out of season, to support him not only when he was in power but when he was out of power. I have endeavoured to do my duty by my party and by the country as I saw it, and it does not lie in the mouth of any hon. gentleman in this house to make the reflections which my hon. friend has seen fit to make to-day. I am not in the habit of proclaiming my loyalty either to my country or to my leader or to my party. I endeavour to make actions speak louder than words.

May I allude, Mr. Chairman, to two other references which my hon. friend has made. He has referred to Mr. Victor Sifton, who happens to be master-general of the ordnance at the present time. Mr. Sifton, a gentleman from Manitoba, came down here as a citizen of this country to assist Mr. Philip Chester, who had agreed to take for a limited time the position of master-general of the ordnance. Mr. Sifton came down here to assist him in connection with the reorganization of that branch of the department in order that we might attain the greatest possible efficiency in the obtaining of supplies which were all important. Mr. Sifton assisted Mr. Chester, and Mr. Chester gave us his valuable business experience in connection with that work. After about three months, Mr. Chester felt that he was able to leave that office in such shape that he believed it would carry on efficiently. Before he left, he recommended in the strongest possible terms that Mr. Sifton be made master-general of the ordnance. Hon. gentlemen will understand that there might have been some heart-burning on the part of military officers in connection with that appointment. I want to say to the house that it was only after the gravest consideration that Mr. Sifton was appointed. He was appointed because of Mr. Chester's recommendation, and because of what I knew of his personal character and ability. I am glad to say that his appointment was universally accepted by the military officers with whom he is associated. Mr. Sifton is carrying on as any patriotic citizen would want to do, and without salary and without expenses of any kind, giving his services to this country as master-general of the ordnance. I want to say of Mr. Sifton, because he cannot speak for himself, that I have the highest possible confidence in him and believe that his administration will be for the great benefit of Canada, particularly in connection with that important branch of our undertaking.

With regard to Colonel Magee, president of Barclay's bank, I asked Colonel Magee to come to Ottawa. My hon. friend is quite right in that. I personally asked Colonel Magee to come to Ottawa to assist me as senior executive assistant. He came here and has been here ever since. I want to say that I would be greatly surprised if Colonel Magee has given my hon. friend the slightest ground for the attack which he has made on him to-day. I believe he has met all members courteously, has endeavoured to give the very best attention which could possibly be given to the many important matters with which he has had to deal and has been sympathetic and highly efficient in all these matters. I know he has done his level best as a patriotic and extremely capable Canadian to promote the interests of our dominion at this time when we are at war.

That is all I have to say with regard to those matters.

This matter of $200 a day—

Mr. HANSON (York-Sunbury): May I suggest to the minister that he say a word on behalf of the judge advocate-general in view of the vicious attack which was made upon him.

Mr. RALSTON: I did not know that my hon. friend had also singled out the judge advocate-general. The judge advocate-general has been in the department for a good many years; he was there when I was there before. I know that Brigadier Orde has carried out his duties as a Canadian should, and there is, I think, no man in Canada who is so well versed as he in military law and in the practices of the department which requires expert and skilled advice.

Mr. HANSON (York-Sunbury): Thank you.

Mr. RALSTON: The $200 a day has been mentioned. Indeed, it has been mentioned so often that I think hon. members must be tired of hearing about it. But this is the first opportunity I have had to mention it.

I was asked and was pressed to accept the position of counsel to the grain commission three years ago. This was after I was out of public life and had retired to private practice where I felt my duty to my family required me to be. I accepted that position and for my services indicated the same fee which had been paid to other legal gentlemen in connection with commissions. I could not accept less because I was giving my whole time to the commission and my firm were entitled to my services. The money was paid to my firm, and my share distributed to me, and their

share to my partners, and I have no apologies to make to my hon. friend or to anyone else with regard to that matter. The fee was regarded as reasonable under the circumstances, having regard to the fees which were paid to professional men. It was absolutely necessary that the fee should be paid in order that my firm might be even partly reimbursed for the loss of my services for that time, and perhaps I may be pardoned if I say that I endeavoured to give the country the very best service I could in connection with the work of the commission.

That is all I have to say at this time in regard to the matter to which my hon. friend referred.

Mr. HANSON (York-Sunbury): I cannot refrain from offering a word of congratulation to the Minister of National Defence upon the statement he has just concluded. I do not know that any defence was necessary. It occurred to me that perhaps dignified silence would have been as good an answer as any that could be made. The minister in his judgment thought otherwise and I am not going to quarrel with the position he took. If the people of Canada could look in upon this House of Commons this afternoon and hear what we listened to for forty minutes and have an appreciation of just what it means, I wonder what they would think. I suggest that this sort of thing must cease in the House of Commons of Canada, or we shall be in disrepute. So far as I am concerned I offer to the government any authority which my position carries with it to help maintain the dignity of this house, and if possible to raise its position in the estimation of the Canadian people. I think we all agree that we should do this, and I offer my support wholeheartedly to the leader of the government in that regard. I conclude by again congratulating the minister on the statement he has made.

Mr. ILSLEY: Perhaps I can at this point give some information that was asked for last night. The hon. member for Lake Centre asked to be supplied with this information. He said:

> I should like to know from the minister how much it is anticipated will be advanced during the next fiscal year.

That is, advanced to private companies. The estimate submitted by the Department of Munitions and Supply to the Department of Finance for capital assistance to private companies for the next fiscal year is $58,858,487.

The hon. member also said:

> I should like to know the largest amount advanced to any one company last year, and the name of that company.

The records of the comptroller's branch show that the largest amount actually paid to any company during the past fiscal year was the sum of $6,946,241.75 to the John Inglis Company Limited of Toronto. There is nothing in the information I have here to show whether that amount was wholly or partly paid on account of the Canadian government or the British government. I understand that the Minister of Munitions and Supply has that information, or at least he has the information as to the commitments made in respect of the Canadian government and the commitments made on behalf of the British government.

The hon. member for Acadia (Mr. Quelch) asked for quite extensive information. I have the information here; it covers several pages and to read it would weary the committee.

Mr. HANSON (York-Sunbury): What does that relate to?

Mr. ILSLEY: To borrowings—how much has been borrowed from the public, how much from the chartered banks, the rate of interest, and so on. Perhaps it would serve the hon. member's purpose if I put it on *Hansard* so that he can look at it, and then if he wishes to discuss it he can do so on the bill, or later in this debate if we do not get beyond the resolution to-day.

Mr. QUELCH: That is satisfactory to me.

Mr. ILSLEY: The statement follows:

Dominion of Canada Bond Issues Since Outbreak of War

Public Issues

Issue date—Maturity date	Interest rate	Price	Amount issued
February 1, 1940—February 1, 1948-52	3¼%	100 00	$250,000,000†
October 1, 1940—October 1, 1952	3 %	98 75	324,945,700†
War Savings Certificates	3 %	....*	45,565,330
Non-interest Bearing Certificates**		100 00	5,534,134
			$626,045,164

* Maturity value issued to February 20, 1941.

** Total issued to February 21, 1941.

† Including amount of conversions, which are also shown in table of redemptions below.

Dominion of Canada Bond Issues Since Outbreak of War—*Concluded*

Issues Sold to Chartered Banks

Issue date—Maturity date	Interest rate	Price	Amount issued
October 16, 1939—October 16, 1941	2 %	100 00	$200,000,000
June 1, 1940—March 1, 1945	2 %	99·375	40,960,000
January 2, 1941—July 2, 1943	1½%	99·695	250,000,000
			$490,960,000

Issues Sold to Bank of Canada

Issue date—Maturity date	Interest rate	Price	Amount issued
March 1, 1940—March 1, 1945	2%	99·375	$ 40,000,000
May 1, 1940—May 1, 1941	1%	100 00*	250,000,000
May 1, 1940—T. Bills	·739	....*	75,000,000
June 1, 1940—March 1, 1945	2%	99·375	24,040,000
			$389,040,000

Grand Total of Issues $1,506,045,164

* These issues purchased by Bank of Canada in order to provide funds for the Foreign Exchange Control Board to purchase gold and foreign exchange from the Bank of Canada in the amount of $253,507,331 and from others under the Foreign Exchange Acquisition Order, 1940.

Dominion of Canada Bond Redemptions Since Outbreak of War

Maturity date	Interest rate	Where payable	Amount
October 15, 1939	4 %	Canada	$ 47,269,500 00
October 15	2½%	"	7,933,000 00
November 15	2 %	"	20,000,000 00
March 1, 1940	3 %	"	115,013,636 82
April 16*	3½%	London	137,058,841 00
June 1	1½%	Canada	80,000,000 00
September 1	4½%	"	75,000,000 00
October 1*	4 %	London	93,926,666 66
			$576,201,644 48

* Called for prior redemption—amounts shown are at $4.86 to the pound sterling.

NOTE.—In addition to the above, the government has made arrangements for the Canadian National Railways to purchase from the government of the United Kingdom the amount of Grand Trunk Railway Company of Canada 4% Perpetual Consolidated Debenture Stock (guaranteed as to the payment of interest by the Dominion of Canada) that the British government has vested from the owners in the United Kingdom. This stock was outstanding in the amount of £24,624,455 or $109,579,000 at the current rate of exchange.

Chartered Banks of Canada

Holdings of Dominion and Provincial Direct and Guaranteed Bonds

August 31, 1939	$1,187,217,015
December 31, 1940	1,288,439,598
Increase	$ 101,222,583

NOTE.—This increase of $101,222,583 does not reflect the issue of $250,000,000 1½% Notes sold to the chartered banks. $150,000,000 was delivered on January 2, 1941 and $100,000,000 was delivered on February 1, 1941.

Bank of Canada

Holdings of Dominion and Provincial Direct and Guaranteed Bonds

August 31, 1939	$163,096,387
February 19, 1941	565,925,771
Increase	$402,829,384

NOTE.—Of this amount of $402,829,384, there is an offset in the decrease of $253,507,331 of gold and foreign exchange sold to the Foreign Exchange Control Board.

NOTE.—The returns of the chartered banks and of the Bank of Canada do not show separately the holdings of dominion and provincial securities.

It is not possible to isolate the influence of these borrowings upon chartered bank deposits because bank deposits are affected by many other factors as well, such as changes in the volume of note circulation, current loans, etc. It is, however, possible to give figures showing the increase in deposits since the war began and in the volume of notes held by the public, which is the other major constituent of the total volume of money.

[Mr. Ilsley.]

Monthly Averages in Millions of Dollars

	August, 1939	December, 1940	Increase
Canadian deposits of chartered banks.....	2,532	2,718	186
Bank of Canada and chartered bank note circulation*..	207	347	140
	2,739	3,065	326

* Bank of Canada notes in the hands of the public plus total chartered bank note circulation. Bank holdings of chartered bank notes are, however, small and showed virtually no change over the period in question.

The December figures are the most recent available but the $250 millions of notes which the dominion government has sold to the banks since that time would, other things being equal, increase Canadian deposits by the same amount.

Mr. HANSON (York-Sunbury): Last evening I asked the Minister of National Defence for Air, in the absence of his colleague the Minister of National Defence, for the figures in relation to the thirty-day military training plan. Could I be supplied with those figures?

Mr. RALSTON: There was a slight confusion with regard to what my hon. friend asked for. He mentioned the thirty-day training plan, and then he mentioned the National Resources Mobilization Act. What he asked first was the amount spent in the present fiscal year under the National Resources Mobilization Act in connection with the thirty-day training period. Then last night he broke it down somewhat and asked for further particulars. He asked for the amount allocated to the scheme out of the 1940 appropriation, to be spent (a) by the Department of National Defence, and (b) by War Services; also how far the activities of War Services go, and the expenditure in that respect before these men are handed over to National Defence for training.

I think the best I can do this afternoon on the information I have here is to lay on the table of the house and send to my hon. friend a copy of two statements. One is the expenditures paid or incurred under the National Resources Mobilization Act to December 31, 1940.

Mr. HANSON (York-Sunbury): By what department?

Mr. RALSTON: National Defence. The second is the cost of ordnance stores issued in connection with the National Resources Mobilization Act.

With regard to National War Services, I know what my hon. friend has said and I understand he has already received from National War Services some statements in regard to expenditure incurred. The point he made last night was that transportation did not seem to be included.

Mr. HANSON (York-Sunbury): They told me they had not the figures.

Mr. RALSTON: I have just spoken to my colleague the Minister of National War Services and I think he will be able to complete that if there are further figures to be given.

Mr. HANSON (York-Sunbury): Could the minister answer the question asked last night, whether the Ministry of National War Services pays the transportation up to the time these men are handed to the training centre, and the transportation back, or is the latter included in National Defence? We do not want it in twice.

Mr. RALSTON: I must say I had not noticed my hon. friend's question until I came in. I had the impression that National Defence pays transportation from the camps; I should like to verify that. The amount in the statement which my hon. friend will see is something like $197,000 for transportation. That amount has been paid or incurred by National Defence, and when my hon. friend gets the particulars from National War Services the question will be answered.

The hon. member for Cumberland asked for the total expenditures or total payments made regarding the Debert military camp and airport.

Mr. BLACK (Cumberland): I said I should like the total expenditures and total commitments—I am quoted as saying "payments". What I asked for was the total expenditures and total commitments.

Mr. RALSTON: I thought my hon. friend might have that in mind. The situation is that it is difficult, and perhaps misleading, to attempt to give total commitments. Total expenditures, particularly for labour, which my hon. friend will recognize is a very large part of this, are returned pretty promptly; that is to say the labour is paid for by cheque from Halifax and the amount can be obtained promptly. With regard to materials there is some delay, as my hon. friend intimated last night. There are at least two reasons for that delay, and perhaps others. One is the fact that sometimes the receipt

for the actual material, as received by the engineer, is not forwarded as promptly as it should be to the paying or checking authority. There has been a heavy burden of work on the engineer. The other is the fact that sometimes—and here I mention the department of my colleague the Minister of Munitions and Supply—the notice of acceptance of the tender, which contains particulars of the material which is to be supplied and the price for which the contract has been let, does not go forward in sufficient time to be received by the engineer on the ground, and he has to wait until he receives it in order that he may check the material received with the specifications which were required in accordance with the acceptance of tender; so that there may be some delay in that way.

I think the only practical thing to give my hon. friend is the actual payments which have been made up to a fixed date, I will say up to January 31; I think I can give that to him. I should like him to understand that commitments can only be estimates in most cases. There are two classes of commitments. There is such a thing as a commitment made when the article has been actually bought but payment has not been made. In that case we know definitely what is the price, but generally that is the smallest of the two classes. In the other class we put forward what we call a contract demand on the Department of Munitions and Supply, asking them to purchase certain articles for us. We have estimated that the cost may be so much. Whether that will be the cost or whether the cost will be greater or less depends on the tenders received by the Department of Munitions and Supply.

Mr. HANSON (York-Sunbury): That is hardly a commitment.

Mr. RALSTON: It can be a commitment only for the purpose of endeavouring, as best we can, to have the treasury officer note something opposite that particular vote as the estimated dollar obligation which will be incurred when that transaction is finally completed. Therefore I would prefer not to put those contract demands on record. I could do it easily enough, I suppose, but I do not think it would give my hon. friend very much information.

Mr. BLACK (Cumberland): Along with the actual disbursements as of January 31 would the minister be prepared to give an estimate of the amount his department believes will be required in order to complete the whole project at Debert, in order that we might have the total contemplated expenditure on that whole project?

[Mr. Ralston.]

Mr. HANSON (York-Sunbury): You do not mean the pay of the soldiers; you mean the cost of building the camp?

Mr. BLACK (Cumberland): Just the cost of developing the camp itself.

Mr. RALSTON: I do not mind giving an estimate. My hon. friend understands what an estimate is. They do their best, but as my hon. friend can understand services may be added afterwards which throw the estimate out, and naturally I do not want any reflections on the engineers because their target has been overshot or they have not succeeded in keeping within the estimate given.

Mr. HANSON (York-Sunbury): With that reservation understood, could the minister give the figure?

Mr. RALSTON: Yes; I have a figure in mind now. I can tell my hon. friend now that from the information I get the Debert camp may cost $5,500,000.

Mr. HANSON (York-Sunbury): Does that include the airport?

Mr. RALSTON: No, that does not include the airport.

Mr. HANSON (York-Sunbury): How much more for that?

Mr. RALSTON: The airport, of course, is in addition. It must be understood, of course, that with the possibility of changes in requirements such a figure has to be more in the nature of what one of the officers in my department calls a "guesstimate" instead of an estimate. We try however to see that it is at least an intelligent guess based on whatever probabilities can be reasonably foreseen.

Mr. POWER: I have the figures with respect to the Debert airport, with the same reservation that was made by the Minister of National Defence. The estimated sum required for the buildings at Debert is $829,517. I have not the figure in connection with the runways, but I would say they would cost probably another $150,000 or $200,000.

Mr. HANSON (York-Sunbury): That is about $1,000,000 altogether.

Mr. POWER: Yes, I would say about a million. It may be that Debert will be still further developed during the course of the coming summer, in which case the expenditure will be very much greater. The buildings are completed; the runways will be completed about April 1.

Mr. HANSON (York-Sunbury): That includes all the hangars?

Mr. POWER: Yes, the buildings include the hangars.

Mr. RALSTON: Just to complete the matter referred to by the leader of the opposition, in connection with the expenses paid or incurred under the National Resources Mobilization Act, and for the benefit of hon. members, I should like to place this statement on *Hansard:*

Department of National Defence

Expenditures paid or incurred under National Resources Mobilization Act to December 31, 1940

	Expenditures paid or incurred	
	Non-recurring	Recurring
Civil salaries and wages		$ 14,621 83
Pay and allowances		5,889,784 54
Travel, transport and freight		197,076 43
Operating expenses of properties		560,943 33
Construction and repairs	$9,126,607 73	138,983 87
Clothing and miscellaneous stores (laundry)		256,128 99
Mechanical and water transport		32,807 00
Supplies, food and forage		1,508,264 11
Medical stores and services		82,819 00
Dental stores and services		10,287 00
Printing and stationery		11,615 16
Sundries		30,315 00
	$9,126,607 73	$8,733,646 26

Statement of Cost of Ordnance Stores issued in connection with the National Resources Mobilization Act to December 31, 1940

	Estimated cost	
	Non-recurring	Recurring
Clothing issued to trainees	$2,700,600	$ 610,800
Clothing issued to permanent training staff	539,000	
Web equipment, water bottles, respirators and anti-gas stores	711,350	
Barrack and miscellaneous stores	1,020,000	
Total	$4,970,950	$ 610,800

The committee will understand that one cannot separate the cost of the so-called thirty day training scheme from the cost of the four months plan; that is to say, the same equipment, the same buildings, the same staff and the same ordnance stores and other items will be used. We have endeavoured as far as possible to make a rough separation by means of the classifications "recurring" and "non-recurring."

Mr. HANSON (York-Sunbury): I used that only as a descriptive term.

Mr. RALSTON: These establishments are available for whatever training plan may be carried on.

Mr. HANSON (York-Sunbury): Then there are the figures from the Department of National War Services.

Mr. RALSTON: The Minister of National War Services gives me this statement of payments by his department. The amount shown with regard to transportation, to which my hon. friend referred, is only $87.43, but the minister tells me that this was the amount actually paid out to December 31. The commitment in this respect is $170,000.

Mr. HANSON (York-Sunbury): Does that include the cost of landing trainees at the centres?

Mr. RALSTON: Yes.

Mr. HANSON (York-Sunbury): Where is shown the cost of sending them back home?

Mr. RALSTON: That is in the statement I just gave, $197,076.43.

Mr. HANSON (York-Sunbury): Then what we were speculating about last night is correct; War Services delivers them to the training centres and National Defence pays their way home, so there is no duplication.

Mr. RALSTON: These figures are as follows:

Department of National War Services

Recruiting

Expenditure to December 31, 1940

Administration at Ottawa—		
Salaries	$ 5,008 58	
Printing and stationery	1,292 11	
Telegrams	974 44	
Sundry	927 87	
		$ 8,193 00
Administration at administrative divisions—		
Salaries	$ 96,462 82	
Fees and allowances	2,527 00	
Travelling expenses	1,861 26	
Telegrams	824 90	
Telephones	1,581 01	
Sundry	1,081 80	
		$ 104,338 79
Medical		33,760 00
Transportation		87 43
Meals		1 00
		$ 146,380 22

To that must be added the commitment for transportation, $170,000.

Mr. HANSON (York-Sunbury): I am glad to have this information. I shall study it and return to the question a little later. I may ask the minister for a further break-down, but I am obliged for what he has given so far.

Mr. DIEFENBAKER: With further reference to the question which the Minister of Finance has just answered, I should like to know how many private companies in Canada have received advances during the past year, the names of the companies to whom the advances have been made, and the amounts.

Mr. HOWE: Does the hon. member wish to have the names on *Hansard?*

Mr. DIEFENBAKER: I should think so.

Mr. HOWE: It is rather a long list; it would take half an hour to read it.

Alberta Nitrogen Company, ammonia, Calgary. The estimated expenditure is $10,110,000, and there is a second commitment with the same company for $207,750.

Mr. BLACK (Cumberland): Are these figures capital advances as opposed to what last evening were referred to as advances for operating purposes?

Mr. HOWE: Yes. My hon. friend has received from the Minister of Finance actual payments; I am giving now a list of all commitments the government has both for its own account and for British account for capital expenditures.

Mr. DIEFENBAKER: Will the minister divide them as between dominion and United Kingdom accounts?

[Mr. Ralston.]

Mr. HOWE: Yes. The two expenditures I have given represent a joint account, one-third Canadian and two-thirds United Kingdom.

The next is Algoma Steel Corporation Limited. There is a commitment of $527,333, United Kingdom.

Aluminum Goods Limited, Toronto, $4,500, Canadian.

Anaconda American Brass, Limited, New Toronto, $2,290,000, Canadian. There is a second commitment with the same company of $150,000, also Canadian.

Atlas Steels, Limited, Welland, $349,312. This is a joint account, 77 per cent Canadian and 23 per cent United Kingdom. There is another for Atlas Steels of $4,273; another for $171,667, and another for $161,000.

Mr. MacNICOL: Is that the Atlas steel company?

Mr. HOWE: Yes. These latter are joint, 50 per cent United Kingdom and 50 per cent Canadian.

Goldie and McCulloch Company, Limited, Galt, $246,957, United Kingdom.

W. H. Banfield and Son, Limited, Toronto, $128,325, United Kingdom.

Barber Die Castings, Limited, Hamilton, $2,124, United Kingdom.

Wallace Barnes Company, Limited, Hamilton, $1,841, United Kingdom.

Bata Shoe Company, Frankford, Ontario, $28,050, Canadian.

I could give the purposes for which these expenditures are made. Does the hon. member wish to have that information?

Mr. DIEFENBAKER: It would add to the value of the information.

Mr. HOWE: There is another for the Bata Shoe Company, Frankford, for gauges for ·5 inch twin mounting, mark IV guns, $136,600, United Kingdom account.

Beatty Brothers, Limited Fergus, 25-pounder primer No. 1, mark II, $61,108, United Kingdom account.

Bendik-Eclipse of Canada Limited, Windsor, 40 mm. shell tracer No. 7 and for tracer No. 12, mark I, $325,000, United Kingdom.

John Bertram and Sons, Limited, Dundas, machine tool capacity, $1,220,000, Canadian account.

Boeing Aircraft of Canada, Limited, $87,698, Canadian account; another for $29,940, Canadian account; another for $1,442,000, Canadian account; another for $438,000, Canadian account; and another for $27,400, Canadian account. That is the list for Boeing, all for the manufacture of aeroplanes and for overhauling work.

British Aeroplane Engines, Limited, Montreal, overhauling of Rolls Royce engines, $6,949, Canadian.

Mr. MacNICOL: Is that for plant or work?

Mr. HOWE: That is for additional equipment in the plant.

Brown Boggs Foundry and Machine Company, Limited, Hamilton. This was for assistance in obtaining machinery, and the amount is $65,000, which is repayable. I understand it has been repaid, so that it is not really a capital expenditure.

Acme Screw and Gear Company Limited, 27 and 28 pistols for aircraft bombs, $457,155, Canadian account. There is another for the same company for 40 mm. shell fuse, 251, $135,726, United Kingdom account, and another for $959,655, United Kingdom account.

Canadian Airways Limited, Winnipeg, aeroplane engine overhauling depot, $19,201, Canadian account. There is another for the engine overhaul depot, Winnipeg, the amount being $5,700, Canadian account.

Canadian Car and Foundry Company, Limited, Montreal, 9·2 inch Howitzer shell machinery, $1,610,691, United Kingdom account.

Canadian Car and Foundry Company, overhaul depot, $9,100, Canadian account. For a shell filling plant, $11,390,272, United Kingdom account.

Canadian Dredge and Dock Company, Toronto, crane facilities, $7,300, Canadian account.

Canadian Elevator Equipment Company, Toronto, gauges, $20,850, Canadian account. Another contract with the same firm for 2-inch, mark II motors and spare parts, $40,420, Canadian account.

Canadian General Electric Company, Peterborough, 2-pounder gun carriages, $3,045,417, joint account, 50 per cent British and 50 per cent Canadian. Another for 3·7 anti-aircraft mountings, $5,144,632, joint account, 50 per cent Canadian and 50 per cent United Kingdom.

Canadian Locomotive Company, Kingston, 2-pounder, mark VIII mountings, $220,000, United Kingdom account.

Canadian Motor Lamp Company Limited, Windsor, 25-pounder cartridge cases, $453,764, United Kingdom account.

Canadian National Railways, Montreal, 12-pounder, mark V guns and mechanisms, naval, $1,315,330, United Kingdom. Canadian National Railways, Winnipeg, 4·5 and 5·5 gun carriages, $635,000, United Kingdom.

Canadian Pacific Railway, Ogden shops, Alberta, 12-pounder guns and mark IX mountings, naval, $2,485,784, United Kingdom account. Canadian Pacific Railway, Montreal, tanks, $1,170,000, 62 per cent Canadian and 38 per cent United Kingdom.

Canadian Tube and Steel Products Limited, Montreal, 4·5 howitzer shells, forging and machining, $411,300, United Kingdom account.

Canadian Vickers Limited, Montreal, flying boats, $348,446, Canadian account.

Canadian Westinghouse Limited, Hamilton, 3·7 anti-aircraft guns and loose barrels, $7,951,910, joint account, 50 per cent British and 50 per cent Canadian. Another with the same company for torpedo engines, $25,000, United Kingdom account.

Canada Wire and Cable Company, Montreal, brass strips, discs and rods, $5,200,000, Canadian account.

Chemical Construction Corporation, Niagara Falls, ammonia, ammonium nitrate and special chemicals, $14,535,431, United Kingdom account.

My hon. friend will realize that I have not reached the bottom of the "C's". Does he really want this information now?

Mr. HANSON (York-Sunbury): This is the only time and place that we can get it. I am not asking the minister to read them all, provided he can put them on *Hansard*. We would then have an opportunity to study this information. I serve notice upon the government that we intend to go into all these expenditures.

Mr. HOWE: That is quite all right, but it is a little hard on the voice to read them. Does my hon. friend wish me to continue, or shall I put them on *Hansard*?

Mr. HANSON (York-Sunbury): I do not want the minister to read them if they can be placed on *Hansard*.

Mr. HOWE: I cannot put this on *Hansard*, but I shall have a list made up which can be placed upon *Hansard*.

Mr. HANSON (York-Sunbury): We would not be able to close the committee because we would not know what we were going to get. The fact is that the information is not in the shape in which it could be placed upon *Hansard*.

Mr. LAPOINTE (Quebec East): This is only one part of the resolution.

Mr. HANSON (York-Sunbury): There will be a lot more.

Mr. LAPOINTE (Quebec East): We could go on with something else.

Mr. HANSON (York-Sunbury): We started on this.

Mr. HOWE: Cockshutt Plow Company, Limited, Brantford, 25-pounder shell machining, $313,288, United Kingdom account.

Consolidated Mining and Smelting Company, Trail, British Columbia, ammonia, $1,162,500, United Kingdom account. The same company, ammonia and ammonium nitrate, $7,260,830, United Kingdom account.

Corman Engineering Company, Toronto, gears, $1,000, Canadian account. Corman Engineering Company, Toronto, gauges, $12,500, Canadian account.

Crane Limited, Montreal, 40 mm. shells, $155,138, United Kingdom account.

Defence Industries Limited, Nobel, cordite, TNT, and rifle cordite, $10,572,800, United Kingdom account.

Defence Industries Limited, desalaberry island, Quebec, cannon powder, rifle powder, DNT, TNT and tetryl, $18,670,973, United Kingdom.

Defence Industries Limited, Shawinigan Falls, hexachlorethane, $284,375, United Kingdom account.

Mr. HANSON (York-Sunbury): Is that a subsidiary of Canadian Industries Limited?

Mr. HOWE: Yes, of the war industries. They have been segregated under Defence Industries Limited.

Defence Industries Limited, Winnipeg, cordite, $9,035,000, United Kingdom account.

Defence Industries Limited, Pickering, Ontario, and Ste. Therese, ammunition filling plants, $15,000,000, joint account, $\frac{7}{8}$ths United Kingdom, $\frac{1}{8}$th Canadian.

Mr. MacNICOL: Is the plant at Pickering in operation?

[Mr. Howe.]

Mr. HOWE: Not yet. Ground was broken about a month ago and it takes a little longer than that to get into operation.

Mr. MacNICOL: My information was that the ground had only been broken.

Mr. HANSON (York-Sunbury): This is an advance.

Mr. MacNICOL: The whole amount would not be an advance.

Mr. HOWE: Defence Industries Limited, Beloeil, Quebec, propellants for test purposes, $75,000, Canadian account.

Defence Industries Limited, Windsor, Ont., for carbamite, $200,000, Canadian account, with some United Kingdom participation.

Defence Industries, Limited, Montreal, ·303 small arms ammunition, detonators, fuses, gains, $8,619,413, for United Kingdom account. In that case there has been an accountable advance for working capital to the top limit of $3,350,000.

Defence Industries, Limited, Verdun, P.Q., small arms ammunition, $675,000, United Kingdom account.

DeHavilland Aircraft Company of Canada, Limited, West Toronto, aeroplane fuselages, $130,000, Canadian account. The same company, the principal overhaul depot, $136,239, Canadian account. The same company, manufacture of Anson fuselages, machinery and assembly, $767,875, Canadian account.

Dominion Bridge Company Limited, Montreal, 3·7 and 4-inch shell cartridge cases, $83,850, Canadian account. Dominion Bridge Company, Limited, Montreal—

Mr. HANSON (York-Sunbury): Would the minister allow me a question? Was it necessary to make that advance to a great company like the Dominion Bridge? Surely they can finance anything. Or is it more advantageous to have it done so? It may ease matters for the minister if he would just give us a brief explanation. Why does the Dominion Bridge company require this, or was it thrust upon them? I do not suppose it was thrust upon them. They are a big corporation; they can go to the banks and get all the money they want. Is it easier for them to do it that way than to take the money out of their own treasury or go to their own bankers, or what?

Mr. HOWE: I may say that we try to place all the business we can with plants which furnish their own facilities. We exhaust that possibility first. We then try to induce private plants to install the facilities that we require; and arrangements have been made through the establishment of the war contracts depreciation board to permit acceler-

ated depreciation on capital expenditures for war purposes. We exhaust that possibility. But where machinery has no possible post-war use, as in the case of shell-making machinery, we have adopted a policy, in agreement with the British government, that we take our depreciation at the start, pay for the machinery, and get our output at cost. Particularly where joint account is involved we have largely followed that procedure.

Mr. HANSON (York-Sunbury): Would the minister elaborate on output at cost? Just how would that be referable, say, to this advance to the Dominion Bridge company?

Mr. HOWE: This machinery is segregated in a separate building. It is operated as a separate operation. We have a treasury officer in the plant, and the price of the product is kept in proportion to the cost plus and agreed profit.

Mr. HANSON (York-Sunbury): So you get it at cost, and they get a small profit?

Mr. HOWE: That is it.

Mr. HANSON (York-Sunbury): What is the size of the profit? Two per cent, or five?

Mr. HOWE: Usually, about three per cent, depending on the size of the operation. Obviously, for a small operation, the percentage must be higher, and for a large operation it is often lower.

Mr. HANSON (York-Sunbury): That answers the question.

Mr. COCKERAM: Is a treasury officer employed in every one of these plants?

Mr. HOWE: Yes, a treasury cost accountant. The cost accountants are employed by the treasury, not by the Department of Munitions and Supply.

Mr. HANSON (York-Sunbury): That is for the protection of the treasury?

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): Thank you.

Mr. HOWE: Another, for the Dominion Bridge company, for 25-pound shell cartridge cases, $350,175. Another, for the same company, 3·7 shell cartridge cases, $1,505,195. For the Dominion Bridge company, Montreal, 2-pounder guns, mark VIII, $4,000,000, United Kingdom account.

Dominion Engineering company, Lachine, for manufacture of machine tools, $800,000, Canadian account. Another, for the same company, 6-pounder anti-aircraft guns, $6,232,000, Canadian account. Another, for the same company, for 2-pounder mark VII mountings, $180,000, for United Kingdom account. Another, for 2-pounder anti-tank guns and mechanisms, mark X, $4,435,507; that is 25 per cent Canadian and 75 per cent United Kingdom.

Mr. MacNICOL: May I ask the minister a question there? In the case of a large amount like that—and I have in mind some other amounts which were mentioned a few moments ago—to factories to which large additions are being erected, after the war is over those additions will still be there. How is that going to be taken care of? Does the government pay for the full addition to the plant—bricks, mortar, steel, roofing and so forth, including the machinery in the plant; and then, after the war, while the machinery will belong to the government, what about the buildings or the additions to the buildings?

Mr. HOWE: I may say that in practically all cases, before we will build an extension to a plant we acquire the land on which the extension is built; we build the building; we own the building and the land on which it stands, for such disposition as we may care to make after the war.

Mr. MacNICOL: In the case of one plant I have in mind, a very, very large plant which has been allotted a considerable sum of money, the addition, while large, is small in comparison with the whole plant. That addition was built on land belonging to the company. Does the government acquire the land which at present belongs to the company, and then build an addition up against the main plant?

Mr. HOWE: Yes. It is a condition of building on company land that the land on which we build, with suitable access to it, is deeded or leased to the government for a nominal sum for a considerable period of time. If my hon. friend will mention the plant he has in mind, I think I can tell him the arrangement.

Mr. MacNICOL: I am sure that the minister can, but I do not want to mention the plant.

Mr. HOWE: Dominion Forge and Stamping Company, Limited, Walkerville, 25-pounder shell forgings, $93,600, United Kingdom account.

Dominion Foundries and Steel Company, Limited, Hamilton, heat-treating and straightening armour plate, $723,535, Canadian account. Another for Dominion Foundries and Steel Company, Hamilton, 3·7 loose barrel forgings, $994,405, joint account, 50 per cent British and 50 per cent Canadian.

Dominion Rubber Company, Limited, Kitchener, toolings for tires, $163,469. Also, with the same company, tool-produced special sand tires, $67,632, for United Kingdom account.

Dominion Steel and Coal Corporation, New Glasgow, 4-inch single mountings, and 4-inch twin mountings, naval, $3,500,000, for United Kingdom account.

Mr. HANSON (York-Sunbury): What is the date of that?

Mr. HOWE: I cannot give the exact date offhand, but it was about October, perhaps earlier, September.

Dunlop Tire & Rubber Goods Company, Limited, Toronto, gunfire and brake control equipment and relay controlled valves, $44,000 for Canadian account. Another contract with the same company for military tires, $8,825, for Canadian account.

Mr. MacNICOL: Is that the Dunlop company in Toronto?

Mr. HOWE: Yes. Another for the Dunlop company, Toronto, for tires, $6,195, for Canadian account. Another with the same company for $3,200, and another for $148,500, both for Canadian account.

Mr. HAZEN: Were all these amounts advanced in the last fiscal year?

Mr. HOWE: No. The amounts actually advanced in cash were given by the minister. They represent not more than 15 or 20 per cent of the total.

Mr. HANSON (York-Sunbury): But they are made out of the war appropriation of 1940, are they not?

Mr. HOWE: Yes, but I am giving now the total commitments, what we are committed to on capital account.

Mr. MacNICOL: For a particular function?

Mr. HOWE: Capital account for producing munitions of war.

Mr. MacNICOL: It does not necessarily mean that it has all been advanced.

Mr. HOWE: Oh, no.

Mr. HARRIS (Danforth): Does it include some working capital too?

Mr. HOWE: No; these are purely for capital account.

Mr. HAZEN: How much has actually been advanced?

Mr. HOWE: The minister gave that figure a short time ago, $48,749,000. The totals I am giving now represent $112,013,323 for British account, $88,651,576 for Canadian account, and $106,453,775 for joint account, making a total commitment of $307,118,674.

Mr. GREEN: Is that to be the complete programme, or are there further commitments?

[Mr. Howe.]

Mr. HOWE: Those are the commitments to date. We get requests from time to time from the United Kingdom for additional capacity here, and if it is possible to provide capacity here we go ahead and provide it.

Mr. HANSON (York-Sunbury): That is provided for by this resolution?

Mr. HOWE: Yes.

Mr. GREEN: But this is intended to be the bulk of the programme, is it?

Mr. HOWE: No, I would not say that. It is the commitments we have actually made to date. We have other things in contemplation, other things under the programme referred to here. We have certain commitments which we are studying in connection with working out plastics.

Mr. BLACK (Cumberland): Does the list from which the minister is reading include commitments or advances for industries or establishments wholly government owned, or is it assistance or advances only to privately owned enterprises?

Mr. HOWE: No. You mean assistance to wholly owned government companies?

Mr. BLACK (Cumberland): Yes.

Mr. HOWE: Those are in the nature of a revolving fund. There is no government company which itself has assets.

Mr. HANSON (York-Sunbury): These are advances which the government is making to private concerns to meet production?

Mr. HOWE: That is right.

Mr. BLACK (Cumberland): Does the list from which the minister is reading include advances or commitments to Federal Aircraft or an estimate of what will be required to carry out the programme allotted to Federal Aircraft?

Mr. HOWE: No; but I shall qualify that in a moment. Federal Aircraft is not a manufacturing company. It is a company that designs and supplies requirements, but the actual manufacturing is done in privately owned plants, and the advances to privately owned plants are here. Except for a small manufacturing enterprise which Federal Aircraft are conducting with their own facilities, and which is included here, the advances go to the manufacturing companies. Federal Aircraft simply makes the contracts with the privately owned companies.

Mr. GREEN: Does this expenditure of approximately $310,000,000 cover the total expenditure by the Canadian and British governments in Canada for plant and equipment?

Mr. HOWE: The total commitments.

Mr. GREEN: I mean the total expenditures and commitments.

Mr. DIEFENBAKER: What portion of that $307,000,000 will ultimately be repayable by the companies to whom the advances are being made?

Mr. HOWE: I would say, roughly, none of it. We are creating assets which we own and are recoverable from the plants which we own.

Mr. DIEFENBAKER: Has the minister an estimate of the value of the assets at the present time?

Mr. HOWE: The assets at the present time are the figures I am giving you. What they will be after the war, perhaps you can give me.

Mr. DIEFENBAKER: The minister said a moment ago that depreciation was taken off machinery and assets immediately.

Mr. HOWE: It is taken off immediately because we pay for the assets. In other words, so far as the government is concerned, the firm has no depreciation to write off because the asset is paid for. That is called taking the depreciation immediately. When the government pays for a thing holus-bolus, the manufacturer has no value left to depreciate.

Mr. DIEFENBAKER: What proportion of this $307,000,000 represents machinery written off immediately?

Mr. HOWE: Written off immediately by whom.

Mr. DIEFENBAKER: That is the statement the minister made.

Mr. HOWE: Let me try to explain it as simply as I can. We will say we wish to have a manufacturer build a plant to manufacture shells. There are two ways in which this can be done. The manufacturer can create the asset, pay for the plant and equipment. The machinery at least would have no post-war value, or very little, because it is a specialized process requiring specialized tools. Obviously, under these circumstances the government should permit the manufacturer to depreciate his plant during the war perhaps to nothing or perhaps to some definite figure. Provision is made in the revenue act to cover cases where the manufacturer has installed the plant at his own expense, so that there will be a depreciation cost, which would naturally be added to the price of the product.

Then we take the alternative case; the government pays for the building and for the machinery. The government is also the purchaser of the product. In that case there is no depreciation charge to the government.

Mr. MacNICOL: Does the government operate the plant?

Mr. HOWE: No. We own it. In other words, the private operator cannot charge depreciation on a plant for which he did not pay. That is what we call taking the depreciation at the start. In that case the product is sold to the government more cheaply than the situation would be with a privately owned plant which bought and paid for its equipment.

Mr. BLACK (Cumberland): One hundred per cent depreciation is charged up to the initial order? Then the department would be in a more favourable position with regard to any future orders.

Mr. HOWE: We could say that, but we take the depreciation in any event. We say this plant is built for our exclusive use, and we prefer to depreciate it when we build it.

Mr. BLACK (Cumberland): The minister is referring to equipment furnished to a private industry. That means that the initial order bears the total depreciation.

Mr. JACKMAN: When do you write off the capital cost?

Mr. HOWE: Assuming we are the buyer of the product, we write off the capital cost when we install the machinery. We write it off against nothing; we simply write it off. We own the asset; we pay for it. We say to the operator: you are using our property; therefore you cannot depreciate it.

Mr. GREEN: These are state arsenals owned by the government?

Mr. HOWE: That is right.

Mr. GREEN: And operated by private companies?

Mr. HOWE: That is right.

Mr. GREEN: In every case? Have we any state arsenals operated by the government except those that we had before the war?

Mr. HOWE: We have the Quebec arsenal, which has been greatly enlarged, and the Lindsay arsenal. Those, I think, are the only two we operate directly.

Mr. GREEN: And Valcartier.

Mr. HOWE: Yes. I think that is all.

Mr. GREEN: The policy is for the state to own the arsenal but for that arsenal to be operated by a private firm?

Mr. HOWE: Right.

Mr. ISNOR: What method has the minister of comparing the cost of production in government owned and privately owned munitions plants, if in the one case the entire depreciation is charged at the beginning and, in the other, it is extended over a period of six to ten years? There is a heavy charge borne by the private manufacturer that is not borne by the government.

Mr. HOWE: We have the costs in each plant. We take out the depreciation item and compare the costs for similar work in the two plants. But we appreciate, and the United Kingdom government appreciate that there are two classes of manufacture, one in which either they or we have created the asset and the other where we are using private facilities and the cost includes a depreciation charge. Naturally the plants that have to include a depreciation charge, generally speaking show higher costs than plants where there is no depreciation charge.

Mr. MacNICOL: Can the minister give the committee any information as to the relative cost, say of the 4·5 shell made in a plant the cost of which was wholly advanced by the government, and where the machines are also paid for by the government, as against the cost of the same shell made in a plant owned by a private company?

Mr. HOWE: I do not think that situation exists. I do not think there are any 4·5 shells being made.

Mr. MacNICOL: I just used that arbitrarily.

Mr. HANSON (York-Sunbury): What the hon. member is asking is whether private manufacturers make them cheaper than the government shops.

Mr. HOWE: Private manufacturers are making them in any event. While we own the factory, it was designed and laid out by a private firm and the private firm operates it.

Mr. DOUGLAS (Weyburn): On what basis, a management fee or cost plus?

Mr. HOWE: Ordinarily on a management fee basis.

Mr. COCKERAM: There are some items of equipment being made in government arsenals and similar equipment made in private factories?

Mr. HOWE: Yes.

Mr. COCKERAM: How do the costs compare in those cases?

Mr. HOWE: I do not know that I can compare them. The cost of small arms and ammunition, which is the big item in the arsenal product, depends on volume. At the moment the arsenal is turning out much more than any private plant, and I think its costs are lower. In my opinion, the arsenals are very efficiently operated.

Mr. MacNICOL: During the great war a large number of plants all over the country, small plants owned by individuals and large company plants, were making shells. To-day the government is building many of the plants to make the shells in. Are shells that are being made in privately owned plants, if there are any, costing as much as or more than shells made in the wholly government owned plants?

Mr. HOWE: It is difficult to compare shell making in this war with shell making in the last war. In the last war it was in a way Canada's major contribution in the munitions line. We are actually making more shells in this war than in the last, but doing it in a very few plants. The operation has changed; it is more highly mechanized. I do not think we have any plant where the government has not furnished the equipment; no plant in the country would have that specialized type of equipment which is used for shell making. I think in every case the government has installed the equipment, and in a few cases it has financed the building. I do not think the case of a wholly privately owned plant exists in the country to-day.

Mr. DIEFENBAKER: In view of the fact that the government is following this policy, should there not be some decentralization by the establishment of factories in western Canada—and for the moment I am speaking particularly of Saskatchewan. Recently there was a dispatch in the papers to the effect that three chemical factories were to be established by the dominion government, one to be located in Saskatchewan. Is the minister prepared to say now whether the government intends to go ahead this year under this appropriation with the construction of those chemical factories, and, if so, when they will proceed?

Mr. HOWE: I have stated at each time these chemical factories were mentioned that I have never heard of them and have never been able to find any of my staff who know anything about them.

Mr. HANSON (York-Sunbury): That is interesting. Perhaps it is the information bureau that has fallen down.

Mr. HOWE: No; I do not think the information bureau is responsible for these news articles about projected plants. Of course we get inquiries from time to time from the

United Kingdom government as to whether we can produce certain chemicals for their account, and, if so, under what conditions and at what cost. We investigate that, and no doubt someone has explored the matter of manufacture of chemicals on the prairies. It is also possible that the financial part of the transaction did not appeal to the British government; I cannot say; I have no personal knowledge about that, but I make the statement on the theory that so many press dispatches must have had some basis in fact, though I have no idea what the basis was. I have made this statement in the house at least three times.

Mr. HANSON (York-Sunbury): Take the cordite plant which is being built near Winnipeg. That is being built for the account of the British government, is it not?

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): That is a D.I.L. operation, is it not?

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): In ordinary circumstances the material that will be produced at that cordite plant near Winnipeg will have to be transported to the Atlantic coast and shipped overseas. That is the intention?

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): That plant could have been constructed more efficiently on the Atlantic coast, but it was established in Winnipeg absolutely for local considerations.

Mr. HOWE: Not at all.

Mr. HANSON (York-Sunbury): I have it right from a member of the Manitoba government that they pressed for it and got it.

Mr. HOWE: I deny that absolutely, though I do not deny that they pressed for it. I had nothing to do with that plant, but Mr. Harold Crabtree, who had the responsibility, and his board of directors reported to me that this was the economical location for it.

Mr. HANSON (York-Sunbury): Certainly I would be impressed with anything Mr. Crabtree said; make no mistake about that. I do not think he would say it unless he believed it, and he would not believe it unless he had some practical basis for that belief. I want to make that statement right here and now. But I do know that pressure was brought to bear upon the government to build that cordite plant, or some other kind of industrial plant, in Manitoba in order to help relieve the unemployment situation in Winnipeg; and there is nothing wrong about that. But if you are going to use one province or one community in that way you must have regard to other communities. Until very recently less than four per cent of the government contracts were let in the maritime provinces. That does not include contracts the Dominion Iron and Steel company of the time at Sydney had for the account of the British government, which kept them busy one hundred per cent; but it was only with the greatest difficulty that contracts were obtained for execution in the maritime provinces, where they were needed very badly, for material that was to be shipped overseas. Just take the situation in Amherst, about which we will hear a little more after we have had the minister's report in regard to Avro-Anson production. During the last election the minister went down there. I have not the story directly, but my colleague has it; he knows what the minister said.

Mr. HOWE: Went where?

Mr. HANSON (York-Sunbury): I will have to qualify that; it was either the minister to whom I am speaking now or one of his colleagues. It may have been the late Mr. Rogers, but whoever it was he promised the people of Amherst during the last election that the Amherst plant of the Canadian Car company would be used for the purpose of assembling Anson planes.

Mr. HOWE: My colleague who has been referred to is no longer with us, but I can say this, that at the time of the last election there was no suggestion of any kind that Avro-Anson planes would be built in this country, or any thought of building them. The idea of building Avro-Anson planes dates from June last. That was the first time we ever thought of it.

Mr. BLACK (Cumberland): I do not want to hold the minister responsible—

Mr. HOWE: Better not quote dead men.

Mr. BLACK (Cumberland): All I am asking, and all the people of Amherst are asking, is results. There was a commitment made by the minister by a telegram—an old method of campaigning which I would not attribute to him—which was read at a large political meeting. I have not the wording of that telegram, but the meeting was held I think early in March, a year ago, and that telegram made a commitment to the town of Amherst.

Mr. HOWE: What commitment?

Mr. BLACK (Cumberland): That aeroplanes would be built in the town of Amherst.

Mr. HOWE: Not Avro-Ansons, though.

Mr. BLACK (Cumberland): I would not say definitely whether it was aeroplanes of that type, but the minister was on the platform and that telegram was read by the local candidate. I do not know whether it was the Minister of Finance; I rather believe it was the late Minister of National Defence, Mr. Rogers. I do not want to hold the Minister of Munitions and Supply responsible for that; all I ask, and all that the people of Amherst ask, is that we get results in accordance with the undertaking given prior to that time, at that time and since that time, under which very considerable expenditures were made by the town of Amherst.

Mr. HOWE: Since my hon. friend is making his demand perhaps I had better make mine. I would ask that the town of Amherst turn out the aeroplanes we have given them. At the moment there is a considerable pile-up of Anson machines awaiting assembly there. We need those machines very badly, and if my hon. friend could use his influence with the people he represents to have a few more men put to work in that plant so that these machines might be turned out, I should be greatly obliged.

Mr. HANSON (York-Sunbury): That's right; if Canadian Car is at fault let us know about it.

Mr. BLACK (Cumberland): The town of Amherst has made a splendid record in the assembling of these advanced training planes for the air force, but I believe that the work might be still further expedited. I am told that some of these planes lack the necessary engines and that other integral parts are missing. Until those parts are supplied the assembling of these aeroplanes cannot be completed. I believe this plant, and the citizens of the town of Amherst, have cooperated in every way possible; their record up to the present time is a splendid one, and they could do ten times the work of building aeroplanes that they have been permitted to do up to the present time. Again I say I do not want to censure or blame the department of the minister, but there has been great disappointment and many misgivings in my constituency, as well as all over Nova Scotia and the maritime provinces, because of the delay in carrying out the contemplated programme with respect to advanced training planes. The minister has promised an explanation of the delay, which I am awaiting anxiously. These planes represent a most urgent war necessity, and we down there want to do everything possible to expedite the carrying out of this programme.

[Mr. Howe.]

Mr. GREEN: Before the minister carries on I should like to put the picture before him with perhaps a little broader background. He has told us to-day that there are commitments totalling $310,000,000 for plant and equipment in Canada to be financed partly by Great Britain and partly by Canada. The minister will admit that the great bulk of that plant and equipment is being put up in Ontario and the western portion of Quebec; the minister told me that in so many words last November. There may or may not have been good reasons for that at that time, but the fact is that because of this governmental policy the industries of Canada are being concentrated in central Canada, and the economy of this country is being made very lopsided. It was lopsided enough before, but this policy is making it just that much worse.

The minister told me a few minutes ago that there will be more commitments, and the impression I get is that there will be commitments amounting to many additional millions. I suggest to him that the time has come when this question of establishing war industries in Canada should be looked at from the point of view of the outlying parts of the country, both the maritimes on the east and the prairies and the Pacific coast province of British Columbia on the west. There is not so much work there; there is more unemployment. I do not need to go into the details. Hon. members know what it will mean to have these plants all operating in the central part of the country. Nothing would help the war effort of the nation more than to have the government announce as their policy that from now on they will locate many more plants in the eastern and western parts of Canada.

Mr. HOWE: No one is more anxious than I am to distribute plants, but when a study of plants is made, either for British account or for Canadian account, there are certain requirements that must be taken into consideration, and one of these is power—the source and the cost of power. My hon. friend (Mr. Hanson) is complaining about there being no plants in New Brunswick. I am trying to locate a plant there now and the only way is to get power transmitted from a power plant in Quebec to the area where the operations are to be carried on.

Mr. HANSON (York-Sunbury): Where is that, Campbellton?

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): Of course Campbellton is not within the area in New Brunswick covered by the hydro scheme. We are developing power from slack coal at the

mines at Minto, distributable over a very considerable area, a good deal more cheaply than hydro. At any rate that is my information. The Campbellton area is not served by that development, and whatever power they have must come from Metis. I regret it, but it is a physical fact that Campbellton, being on the border of Quebec, is not served by power in New Brunswick. We can however develop power from coal in New Brunswick to take care of substantial war requirements if the minister will be good enough to let us have some industries down there. There is a dry dock in the city of Saint John, and I am glad to hear that for the account of the British government some freighters of moderate size will be built there. I hope that this policy will be extended. I wonder if we are to have from the Minister of National Defence for Naval Affairs, before consideration of this item is concluded, some statement of policy in that regard. If the matter comes under the minister who has just spoken, we can get the information from him. What about Canada building some freighters on her own account? This is a large subject which I do not wish to open up at this hour, but I have been giving it some thought and I hope the minister is thinking about it.

Mr. HOWE: There are certain requirements that have to be met with regard to plants. There are certain factors that often make it necessary to go to a certain location, because the facilities cannot be duplicated elsewhere. It is all right to say that you have potential power in New Brunswick. I know that New Brunswick is doing its best to increase its power supplies and has machinery for the purpose; nevertheless power is not immediately available in that area. So far as it has been possible, however, at some increased cost, provided the cost is not too high, we have distributed plants. My hon. friend is wrong in saying that the Winnipeg plant was put there for political reasons.

Mr. HANSON (York-Sunbury): I hardly went so far—to help the unemployment situation.

Mr. HOWE: I have not had one-tenth as much pressure from the government of Manitoba as I have had from the government of New Brunswick so far as that is concerned. We have people asking us in a nice way to build plants in certain places, and they are earnest in their request, but that is not pressure. We have not had pressure. We have had, from almost every community in Canada, requests to build airports, and there is nothing wrong with that. I only wish we could comply with every one of these requests, but airports are not located in that way any more than manufacturing plants are. We have had special studies made of each of the prairie provinces and of British Columbia to see what can be done.

Mr. GREEN: Will the minister tell us what the situation is in British Columbia?

Mr. HOWE: A good deal of war work is being done there. There is a large chemical industry at Trail, put there at government expense. There are large buildings because power is available there.

Mr. CRUICKSHANK: Does the minister say there is a shortage of power there?

Mr. HOWE: No.

Mr. CRUICKSHANK: Why are we not manufacturing, then?

Mr. GREEN: I was referring to the question of power in British Columbia.

Mr. HOWE: There is power there, it is true, but there is no steel. Steel has to be brought from a great distance and some types of manufacturing will not stand the cost of transporting steel back and forth across the Rocky mountains.

Mr. GREEN: Does the minister think it is fair that the manufacturing industry of British Columbia should be penalized by that fact? Are we to be prevented from taking part in the manufacturing of war equipment because we are so far away? For that matter, there is no steel in Ontario.

Mr. MacNICOL: Steel is manufactured in Ontario. The Algoma Steel plant is to-day turning out 3,000 tons of iron ore per day.

Mr. HOWE: Two-thirds of the steel manufactured in Canada is manufactured in Ontario.

Mr. GREEN: I meant iron. There is no iron there.

Mr. MacNICOL: Yes, there is.

Mr. HOWE: The Helen mine is one of the greatest producers of iron ore. Between the hon. member for Davenport (Mr. MacNicol) and myself we shall get the geography of the country straightened out.

Mr. GREEN: The situation is no laughing matter for the Pacific coast. I should like the minister to confirm the impression he left a minute ago, that the reason we are not getting more plants at the coast is that we are so far away and that it costs too much to transport the steel. He told me last November that it was lack of power. I want to know what the reason is so that something can be done to remedy the situation in our province.

Mr. HOWE: We are establishing in the hon. member's province the type of work the province is best able to do. We put in a great deal of machine tool work. Every machine shop in British Columbia is at present engaged in the making of lathes, shapers and machine tools. That is a type of work that does not involve the transportation of heavy steel back and forth. We are building a large plant for naval guns.

Mr. MacNICOL: Shipping barrels from Ontario.

Mr. HOWE: Yes. We are also obtaining in British Columbia three-quarters of the lumber requirements of the war. I have made an analysis before, and I think it holds true, showing that of all the provinces, British Columbia, on a per capita basis, is contributing more to the war effort than any province except Prince Edward Island.

Mr. GREEN: Yes, and a good deal of what we are shipping we were shipping before —for example, lumber. I do not want to get into any provincial fight over this question because the crisis is too serious for that. The fact is that the government is overlooking an opportunity to have war materials made on the coast. I believe this is largely due to the high freight rates. The only reason for the freight rate situation in British Columbia is that as a result of the war, vessels have been taken off the east to west coast run and the railroads have been allowed to jump up the freight rates. I suggest to the government that they arrange to place boats on this service in order to overcome this difficulty. There is no reason why we should not have plants there. Is this situation to affect our shipbuilding industry?

Mr. HOWE: There is a shipbuilding industry there.

Mr. GREEN: Are we to be prevented from taking a larger part in this work because of the rate charged by the railroads for carrying steel across Canada?

Mr. HOWE: We are referring to war production in British Columbia. I would remind my hon. friend that more ships are being built there at the present time than in any other province.

Mr. GREEN: It is the only province with completely ice-free harbours.

Mr. HOWE: My hon. friend wants to take advantage of geography in one instance and disregard it in the other. Ships are being built in British Columbia because of its geographical location, and shells are not being manufactured there because of geography. Freight rates have nothing to do with the situation; it is just geography. There is a considerable aircraft industry in that province.

Mr. GREEN: We do not pay money to geography, but we do pay it to the railways for freight rates.

Mr. HOWE: I think that province has the largest aircraft contract which has been given to any single plant.

Mr. CRUICKSHANK: It is only on paper. Where are aircraft being manufactured to-day in British Columbia?

Mr. HOWE: At two places.

Mr. CRUICKSHANK: How many machines?

Mr. HOWE: Quite a few. I cannot give the correct number offhand.

Mr. CRUICKSHANK: Not very many.

Mr. HOWE: A plant in British Columbia is manufacturing the largest type of machine being made in Canada.

Mr. CRUICKSHANK: On February 15 a contract was let with the Boeing aircraft company for $480,000 for the construction of a plant. Is it not correct that that company has manufactured only one small plane?

Mr. HOWE: No, it is not correct. I do not remember the size of the order, but I know we have got a good many more. This discussion is getting into a rather narrow field. The fact is that British Columbia is manufacturing ships because of its geographical location. The shipyards there are filled to capacity until the end of 1942.

Mr. GREEN: That is contrary to the story given me by the shipbuilders in British Columbia.

Mr. HOWE: Let me tell my hon. friend—

Mr. GREEN: They may be wrong.

Some hon. MEMBERS: Order.

Mr. GREEN: They may be wrong, but I am told there is no reason why we could not be building at least fifty merchant vessels on that coast. At the present moment I believe there are contracts for eight. I have the greatest respect for the minister; I believe he is working very hard at his job, but this thing should be looked into and if necessary there should be a change in policy. Another change which could be made, and which I think would help the whole of Canada, would be to have more manufacturing done in smaller plants throughout the country.

Mr. HOWE: Is the problem to distribute the work or is it to get production?

Mr. GREEN: May I finish my statement? Certain work could be divided up among smaller plants. I am told that this could be done at the coast, that one plant could do a certain job, another plant could do another job and then the product could be assembled. It might prove considerably cheaper to do it that way than to erect these huge plants. I am asking the minister to take this under consideration. Perhaps at the moment he cannot let us know what can be done, but I feel confident that if this change were made he would get rid of many of his problems

Mr. HOWE: I know of no small plant which has not more business than it can do at the moment. The smaller plants take subcontracts from the larger plants. Our aircraft industry is concentrated in seven or eight large centres, but the work is spread out in practically every town and village in the country. Almost every smaller machine shop can get all the work it wants to do.

Mr. GREEN: Not on the coast.

Mr. CRUICKSHANK: If it is correct that a smaller plant can get all the work, how is it that in New Westminster a plant which could turn out a hundred thousand shells a month is not turning out one shell to-day?

Mr. HOWE: The trouble with that plant in New Westminster is that it has not the machinery or management. It is an empty building, and there are several empty buildings around the country.

Mr. CRUICKSHANK: This company is headed by the most competent business men in the country. It is not a question of management.

Mr. HOWE: Perhaps I am talking about a different plant. My attention has been called to a plant in Vancouver which is being sold for taxes. I have tried to encourage someone to provide the necessary management and equipment in order that some war work might be undertaken.

Mr. CRUICKSHANK: As a member of this house I can assure the minister that this plant does not happen to be in Vancouver. The hon. member for Vancouver South will be able to look after that matter. I am referring to the Heaps machine works in New Westminster, which is under the control of eight of probably the finest financial men in British Columbia. Mr. Churchill is demanding speed and more speed in furnishing equipment, and this plant is capable of turning out the necessary work. It is located on tidewater as well as on the railroads. It has the necessary equipment and the skilled labour is available, yet it is not turning out one shell.

Mr. HOWE: Is this plant capable of turning out any product other than shells?

Mr. CRUICKSHANK: It is the largest foundry in British Columbia. It is turning out a few lathes. They do need a few lathes in the province.

Mr. HOWE: Instead of turning out shells, it is turning out lathes. Apparently it is better suited to that particular production. It must be working on a government order if it is turning out lathes, because we are the only buyer of lathes in the market.

Mr. CRUICKSHANK: Why can they not get a government order?

Mr. HOWE: They have one if they are turning out lathes. It would be an order for the Citadel Merchandising company, which is a government-owned company.

Mr. REID: This particular plant was in liquidation, but about six months ago a new company was formed. They obtained extra property and installed new machinery. They came to Ottawa looking for orders for shells which they were prepared to manufacture. As the hon. member for Fraser Valley has pointed out, as yet they have received no order for shells. I join with the hon. member for Vancouver South in pleading with the minister to see that more war work is given to British Columbia. There is a Pacific as well as an Atlantic ocean, and no one can tell when we may have trouble on the Pacific. Hundreds of capable men are idle there.

Mr. GREEN: The minister told the committee that all these plants were working to capacity. I know that some machine shops in Vancouver are not working to capacity, even on an eight-hour shift, let alone on two or three shifts.

Mr. HOWE: Which one?

Mr. GREEN: I will check up and give the hon. gentleman the names.

Mr. MacNICOL: In the event of any British Columbia plant being used for, not making, but perhaps turning shells, will not the material of which the shells are composed have to be shipped from Ontario? As I understand it, all this material is made around Hamilton and Welland. What hon. members are asking is that the steel for making shells be shipped out to the west, and after being turned, out there, the shells will have to be shipped back east again.

Mr. COLDWELL: Much that has arisen out of the discussion this afternoon indicates a feeling of uneasiness in all parts of the house with respect to the Department of Munitions and Supply and its part in the war effort. This concern is directed particularly, I think, to the aircraft industry. I under-

stand that certain reports have been made to the department. If we are to get a clear picture of the condition of the aircraft industry, these reports should be placed on the table of the house so that we can read them. I understand, for example, that a report has been made by one Ernest R. Breech, chairman of the board of the North American Aviation company, and that that report contains some pungent and vital criticisms of the aeroplane industry and of the department in relation to it. A short time ago I noticed that the Minister of National Defence for Air stated that the empire air training scheme could not be proceeded with at the rate that had been hoped for, on account of the fact that certain training planes were unavailable and that we would not be turning them out sufficiently—

Mr. POWER: I specifically stated that that had nothing to do with the production of Anson aeroplanes.

Mr. COLDWELL: Let me just finish.

Mr. POWER: I did not want the hon. member to get away with that.

Mr. COLDWELL: The minister can correct me if I am wrong. The minister says that that has nothing to do with the Department of Munitions—

Mr. POWER: No, not at all. If the hon. member would listen to me he would hear what I said.

Mr. COLDWELL: Well, certainly his statement was to the effect that the third group, I think it was—I am speaking entirely from memory—could not begin and proceed with their training because we were short of the necessary training equipment.

Mr. POWER: If my hon. friend will permit me, I did add at that time that that delay was not due to the delay in the production of Canadian-built Anson aircraft; that they were not expected at this time.

Mr. COLDWELL: That may be so, but may I point this out—

Mr. HANSON (York-Sunbury): When does the minister expect them?

Mr. POWER: Pretty soon.

Mr. COLDWELL: In view of the condition which has developed across the sea during the last six or eight months, the situation in our own aeroplane industry, from all we can find out about it, is deplorable. I do not know the number of planes that is being turned out in the various plants, but I do know something of the condition of some of the plants in this country. The hon. member for Fraser Valley spoke a few minutes ago of the Boeing plant in British Columbia. I believe the statement he made is in accordance with the facts. We know something about the Malton plant near Toronto.

Mr. HOWE: What do you know about it?

Mr. COLDWELL: Well, we will tell the minister about it on Monday.

Mr. GARDINER: We may be here three hours to-night. Why not to-night?

Mr. COLDWELL: Well, to-night, if it is necessary. I said that because, a little earlier this afternoon, I was asked if we would agree to the house rising at six o'clock, to which I assented. That is why I made the suggestion that it be Monday.

The Minister of Munitions and Supply has told this house on more than one occasion that certain branches of our war effort and of the provision of supplies were in production and that we were away ahead of schedule; and then we find out that as a matter of fact we are not ahead of schedule, or, if we are, the schedule calls really for nothing at all and therefore we must be ahead of it. I am suggesting this. I believe that a number of reports have been made. I understand that there is a report to the minister on this particular matter from the war requirements board. If we are to discuss these matters intelligently, all these documents should be on the table of the house so that we can go into them. The time has come when this parliament has got to get at all the information. Some of us for the last six months—

Mr. GARDINER: What was the hon. member doing two years ago?

Mr. COLDWELL: What was I doing two years ago? I will answer that question.

Mr. ROSS (Moose Jaw): Holding up all the estimates that had anything to do with it.

Mr. COLDWELL: I would like to say to the hon. member who interrupted me that we were adopting a realistic view of the situation as it then was—

Mr. GARDINER: A little foresight would have been better, with the situation as it then was.

Mr. COLDWELL: —and since then events have entirely changed the picture. As the minister knows, we had no confidence in those who had betrayed democracy and collective security all through the years, and until there was a change of government we feared that we might be involved in a struggle which was not for democracy. One of the reasons

we are to-day supporting the war to one hundred per cent of our ability—and there is no group in this house that has a greater stake in the successful outcome of this war than the group for whom I am speaking this afternoon; make no mistake about that—

Mr. GARDINER: May I ask the hon. gentleman a question? Is he telling the committee that he was not in favour of the pacifist movement in this country for ten years prior to the opening of the war?

Mr. COLDWELL: I always took the position that the only security for a country like Canada was collective security.

Mr. ROSS (Moose Jaw): And no defence at all.

Mr. COLDWELL: That is the position I always took.

Mr. GARDINER: And no defence.

Mr. COLDWELL: And I always said that the best defence for Canada was to be found in the collective defence of the world. That was my position and it has been all through the years. I have been a member of the League of Nations society for many years, and that is the position I held.

Mr. HANSON (York-Sunbury): Well, we will forgive you that.

Mr. COLDWELL: Let me tell the minister this: we shall have some form of collective security after this war, or we shall have no security at all. To-day we are trying to fight collectively for collective security.

Mr. LAPOINTE (Quebec East): Hear, hear. May I ask my hon. friend a question? Does he agree with me that collective security must mean also collective preparedness?

Mr. HANSON (York-Sunbury): How long has the hon. gentleman been in favour of collective preparedness?

Mr. COLDWELL: I agree with the minister that collective security must be collective preparedness, and that our preparedness must include this thought, that war must not be used as an instrument of national policy but purely as an instrument to prevent war.

Mr. GARDINER: May I ask another question, Mr. Chairman? Did my hon. friend not say in this house in 1937—

Some hon. MEMBERS: Order.

Mr. GARDINER: —that he was opposed to any expenditure—

The CHAIRMAN: Order.

Mr. ROSS (Moose Jaw): He can't take it.

The CHAIRMAN: The hon. member who has the floor is entitled to proceed unless he wants to answer a question.

Mr. COLDWELL: I am not in the habit of interrupting anybody on the other side of the house—

Mr. GARDINER: You had better look up *Hansard*.

Mr. COLDWELL: —but I would tell the hon. member who said I "can't take it" that I can take it from him any time he cares to put it up to me.

Mr. ROSS (Moose Jaw): And I am speaking "collectively" too.

Mr. COLDWELL: I was saying when I was interrupted that there is no group in this house which has a greater stake in the successful outcome of the war than the group which I represent; and with those of our labour colleagues, if you will, across the seas who took the same position in years gone by that we took, we believe that this war is being fought for the democratic way of life and the right of man to say the kind of things I am saying now on the floor of this house. If we are not fighting for that, we are fighting for nothing at all.

Having tried to answer the interrupters, may I again say to the minister that I am of the opinion that every report that is available regarding this industry should be placed before the house at our next sitting so that we may know exactly where we stand. I hear that we are turning out—I shall not name the number of planes but it is very few, yet I have a distinct recollection that last July, I think it was, the Minister of Munitions and Supply indicated that early this year, in the month of January, I believe, we would be turning out something like ten planes a day. We are not turning out ten planes a day or anything like it. Let us know just what we are doing, because it is now self-evident that the extent to which we can retain or gain mastery in the air will in all probability decide the outcome of the war. We ought to have been making every possible effort since the fall of France—I say this notwithstanding the statement made by the minister for air (Mr. Power) a few minutes ago—to relieve Great Britain of the necessity of sending any training planes to Canada, because she needs every plane she has or can muster to defend the narrow strip of water which separates her from Europe.

I ask the minister to let us have a frank discussion. If there are matters which cannot be discussed publicly; if there are reports which cannot be placed publicly before this house because they might give information to

the enemy, let us meet in a closed session and get to the bottom of this thing so that we may all work together rather than do what I fancy we are doing now, namely, working critically and somewhat at cross-purposes.

Mr. HOWE: My difficulty is this. I should like to place the reports on the table, particularly because they do not say what they have been quoted in this house as saying—quite the reverse. I should like to give the house the report from Mr. Breech, but unfortunately that was made orally to the war-time requirements board. That report is reflected, I presume, in Mr. MacMillan's report to myself, which is very comprehensive, covering the whole munitions programme. It gives the numbers of everything manufactured up to this time and the probable numbers of everything that will be manufactured up to the end of the fiscal year 1941-42. These are the very figures which Great Britain has asked us particularly not to give out, and a secret session would not materially change the situation because such figures are not given in secret sessions in Great Britain. The figures are highly confidential, giving the number of units that were shipped to Great Britain.

I can say to my hon. friend, however, who believes, as does the leader of the opposition, that the Breech report recommended that the Anson programme should be taken away from Federal Aircraft, that it recommended nothing of the sort. It recommended that it be not taken away from Federal Aircraft. It made one or two recommendations in connection with the organization of Federal Aircraft but said the programme was rapidly rounding into shape. That shows how far afield we can sometimes get.

Mr. COLDWELL: That is why we should get the actual facts.

Mr. HOWE: Perhaps I can lay on the table the part of the report referring to aircraft, but I am afraid that hon. members would then ask for the rest of it, and I should have to say that I could not make public the rest because it contains figures which must be kept confidential. We have a censorship to prevent just that sort of information from reaching the enemy. I rather imagine, though, if hon. members would like the aircraft section of the report, that I can lay it on the table, and I shall be very glad to do so.

So far as the report of Mr. Breech is concerned, I have never seen it. It was made orally, I think. I have questioned Mr. MacMillan and Mr. Henry, who accompanied Mr. Breech, and I have every reason to believe that the views of Mr. Breech are reflected in Mr. MacMillan's report.

[Mr. Coldwell.]

Mr. BLACK (Cumberland): But the minister will admit that the Avro-Anson production of planes is many months behind schedule.

Mr. HOWE: No. There was never the slightest thought in anyone's mind that we would get the first Avro-Anson plane before the end of February, 1941. We expected them to be delivered at the end of February. The first plane has been flown but it has not been delivered. I do not care to predict when production will come. Perhaps I had better leave that until I make a statement on the company. All I will say now is that we never anticipated having Avro-Anson planes of Canadian manufacture delivered at this date. Any delay in the air training programme—and I shall discuss that later—largely arises from the fact that, as you have heard my colleague state, the training was advanced by six months at this school and by six months at that school and the whole programme advanced by one year. We simply cannot advance our production as rapidly as it is possible to advance the school training. However, we are not doing too badly in meeting the situation, as I think hon. members will agree when I deal with that subject. Any present-day shortage of training planes has nothing to do with the Avro-Anson production, because no production from that source was contemplated by this time, and no statement ever was made or can be found to the contrary.

Mr. McIVOR: Our aeroplane factory at Fort William is turning out two and three Hurricanes a day. The plant is humming and speeding up production and there is every hope that production will reach more than two or three Hurricanes a day. That is pretty good considering what went before.

Mr. COLDWELL: It shows that more of these plants should be established on the prairies and in the west.

Mr. DIEFENBAKER: Referring to the statement which the minister was making to the committee about an hour ago, could he not secure the permission of the house to have the rest of the statement placed on *Hansard* without reading it?

Mr. HOWE: I shall be glad to hand the material to the reporters for inclusion in *Hansard*.

(The statement follows):

APPENDIX

DIGEST OF CANADIAN AND BRITISH PROGRAMME OF CAPITAL ASSISTANCE TO INDUSTRY

Name of Company	Location of Plant	Nature of Production under Assistance Agreement	Commitments Total	Government Committed		
				Canada	United Kingdom	Joint (with %)
			$			
Alberta Nitrogen Company	Calgary, Alta	Ammonia	10,110,006	Canada	U.K.	1/3 Can. /3 U.K.
Alberta Nitrogen Company	Calgary, Alta	30 tank cars bought on behalf of the company.	207,750	Canada	U.K.	1/3 Can. 2/3 U.K.
Algoma Steel Corporation, Ltd	Sault Ste. Marie, Ont	9·2" How. Mk.ID/L—Forging	527,333	.....	U.K.	
Aluminum Goods Ltd	Toronto, Ont	Gas tanks for Anson Aircraft	4,500	Canada.		
Anaconda American Brass Limited	New Toronto, Ont	Cartridge Brass	2,290,000	Canada.		
Anaconda American Brass Limited	New Toronto, Ont	Brass manufacturing	535,120	Canada.		
Anaconda American Brass Limited	New Toronto, Ont	Working capital for production of cartridge brass.	150,000	Canada.		
Atlas Steels Ltd	Welland, Ont	40 mm. Bofors Barrel Forgings	349,312	77%	23%	Joint
Atlas Steels Ltd	Welland, Ont	40 mm. Bofors	4,273	.....	U.K.	
Atlas Steels Ltd	Welland, Ont	2 pdr. A.T. Mark X Barrel Forgings	171,667	Canada.		
Atlas Steels Ltd	Welland, Ont	3·7 A.A. loose barrel forgings	161,000	.....	.....	Joint 50%
Babcock-Wilcox & Goldie-McCulloch Limited	Galt, Ont	40 mm. Shell Mk. II-T/L	246,957	.....	U.K.	
W. H. Banfield & Son, Limited	Toronto, Ont	40 mm. Shell Mk. II-T/L	128,325	.....	U.K.	
Barber Die Castings Limited	Hamilton, Ont	40 mm. Shell—Base Plugs	2,124	.....	U.K.	
Wallace Barnes Co. Limited	Hamilton, Ont	303 S.A.A.—Charger Clips	1,841	.....	U.K.	
Bata Shoe Co. Ltd	Frankford, Ont	Gauges	28,050	Canada.		
Bata Shoe Company Ltd	Frankfort, Ont	0·5" Twin Mounting Mk. IV	136,600	.....	U.K.	
Beatty Bros. Ltd	Fergus, Ont	25 pdr. Primer No. 1 Mk. II	61,108	.....	U.K.	
Bendix-Eclipse of Canada Limited	Windsor, Ont	40 mm. Shell—Tracer No. 7 40 mm. Shell—Tracer No. 12 Mk. I.	325,328	.....	U.K.	
John Bertram and Sons Limited	Dundas, Ont	Machine Tools	1,220,000	Canada.		
Boeing Aircraft of Canada, Ltd	Vancouver, B.C.	Aircraft Parts and Assembly	87,698	Canada.		
Boeing Aircraft of Canada, Ltd	Vancouver, B.C.	Manufacture of PBY flying boats	29,940	Canada.		
Boeing Aircraft of Canada, Ltd	Vancouver, B.C.	Manufacture and Assembly of PBY Boats	1,442,000	Canada.		
Boeing Aircraft of Canada, Ltd	Vancouver, B.C.	Principal Overhaul Depot	438,000	Canada.		
Boeing Aircraft of Canada, Ltd	Vancouver, B.C.	Manufacture and Assembly of PBY Boats	27,400	Canada.		
British Aeroplane Engines	Montreal, P.Q.	Overhaul Rolls-Royce Engines	6,949	Canada.		
Brown Boggs Foundry & Machine Co. Ltd	Hamilton, Ont	Machinery	65,000	Canada.		
Canadian Acme Screw and Gear Co. Ltd	Toronto, Ont	Nos. 27 and 28 pistols for G.P. bombs Mark IV aircraft 500 lb	457,155	Canada.		

DIGEST OF CANADIAN AND BRITISH PROGRAMME OF CAPITAL ASSISTANCE TO INDUSTRY—*Continued*

Name of Company	Location of Plant	Nature of Production under Assistance Agreement	Commitments Total	Government Committed		
				Canada	United Kingdom	Joint (with %)
			$			
Canadian Acme Screw and Gear Co. Ltd.	Toronto, Ont.	40 mm. Shell—Fuze 251	135,726		U.K.	
			959,655			
Canadian Airways Limited	Winnipeg, Man.	Aeroplane engine overhaul depot	19,201	Canada.		
Canadian Airways Limited	Winnipeg, Man.	Engine overhaul depot	5,700	Canada.		
Canadian Car & Foundry Co. Ltd.	Montreal, P.Q.	9·2″ How. Shell Mk. XVI–Mach.	1,610,691		U.K.	
		9·2″ How. Shell Mk. ID/L–Mach.			U.K.	
Canadian Car & Foundry Co. Ltd.	Amherst, N.S.	Overhaul depot	9,100			
Canadian Car & Foundry Co. Ltd.	Cherrier, P.Q.	Shell Filling	11,390,372	Canada.	U.K.	1/3 C. 2/3 U.K.
Canadian Dredge and Dock Co. Ltd.	Toronto, Ont.	Crane facilities	7,300			
Canadian Elevator Equipment Co. Limited	Toronto, Ont.	Gauges	20,850	Canada.		
Canadian Elevator Equipment Co. Limited	Toronto, Ont.	M.F. 2″ Mk. II Motors and spare parts	40,420	Canada.		
Canadian General Electric Co. Ltd.	Peterborough, Ont.	2 pdr. A.T. carriages	3,045,417			Joint 50%
Canadian General Electric Co. Ltd.	Peterborough, Ont.	3·7 A.A. mountings	5,144,632			Joint 50%
Canadian Locomotive Co. Ltd.	Kingston, Ont.	2 pdr. Mark VIII mountings	220,000		U.K.	
Canadian Locomotive Co. Ltd.	Kingston, Ont.	6″ How. Shell Mk. 1D/L mach.	889,880		U.K.	
Canadian Motor Lamp Co. Ltd.	Windsor, Ont.	25 pdr. Cartridge Case	453,764		U.K.	
Canadian National Railways	Montreal, P.Q.	12 pdr. Mk. V guns and mechanisms (Naval)	1,315,330		U.K.	A.D. Can. 529.
Canadian National Railways	Winnipeg, Man.	4·5/5·5 Gun Carriages	635,000	Canada.		
Canadian Pacific Railways	Ogden, Alta.	12 pdr. guns and Mark IX mountings (Naval)	2,485,784		U.K.	
Canadian Pacific Railways	Montreal, P.Q.	Tanks	1,170,000	62%	38%	Joint.
Canadian Pratt & Whitney Aircraft Co. Ltd.	Longueuil, P.Q.	Training of Personnel	300,000	Canada.		
Canadian Pratt & Whitney Aircraft Co. Ltd.	Longueuil, P.Q.	Airscrew Overhaul Depot	140,296	Canada.		
Canadian Tube and Steel Products, Ltd.	Montreal, P.Q.	4·5″ How. Shell—Forging	411,300			
		4·5″ How. Shell—Machining.			U.K.	
Canadian Vickers Limited	Montreal, P.Q.	Bolingbroke Short Legs	106,200	Canada.		
Canadian Vickers Limited	Montreal, P.Q.	Stranraer Flying Boats and Delta and Anson.	348,446	Canada.	U.K.	
Canadian Westinghouse Co. Ltd.	Hamilton, Ont.	3·7 A.A. guns and loose barrels	7,951,910			Joint 50%
Canadian Westinghouse Co. Ltd.	Hamilton, Ont.	Torpedo engines	25,000		U.K.	
Canada Wire and Cable Co. Ltd.	Montreal E., P.Q.	Brass Strip, Discs and Rods	5,200,000	Canada.		
Chemical Construction Corp.	Niagara Falls, Ont.	Ammonia, ammonium nitrate and specials chemicals.	14,535,431		U.K.	
Clark Ruse Aircraft Limited	Dartmouth, N.S.	Principal overhaul base	393,710	Canada.		

Cockshutt Plow Co. Ltd.	Brantford, Ont.	25 pdr. shell smoke-machining	313,288	.....	U.K.	
Consolidated Mining and Smelting Co. Ltd.	Trail, B.C.	Ammonia	1,162,500	.....	U.K.	
Consolidated Mining and Smelting Co. Ltd.	Trail, B.C.	Ammonia and ammonium nitrate	7,260,830	.....	U.K.	
Corman Engineering Company Ltd	Toronto, Ont.	Manufacture of directing gears	1,000	Canada.		
Corman Engineering Company Ltd	Toronto, Ont.	Gauges	12,500	Canada.		
Crane Limited	Montreal, P.Q.	40 mm. Shell—Primer No. 18	155,138	.....	U.K.	
Defence Industries Limited	Nobel, Ont.	Cordite, T.N.T., Rifle Cordite	10,572,800	.....	U.K.	
Defence Industries Limited	De Salaberry Island, P.Q.	N/C Cannon Powder, N/C Rifle Powder, D.N.T., T.N.T., Tetryl	18,670,973	.....	U.K.	
Defence Industries Limited	Shawinigan Falls, P.Q.	Hexachlorethane	284,375	.....	U.K.	
Defence Industries Limited	Winnipeg, Man.	Cordite	9,035,000	.....	U.K.	
Defence Industries Limited	Pickering, Ont., St. Therese, P.Q.	Ammunition filling plant	15,000,000	Can. 1/8	U.K. 7/8	Joint
Defence Industries Limited	Beloeil, P.Q.	Propellants for test purposes	75,000	Canada.		
Defence Industries Limited	Windsor, Ont.	Carbamite	200,000	.....	U.K.	
Defence Industries Limited	Montreal, P.Q.	·303 S.A.A. Detonators—Fuze 119, Fuze 251 and Gaine 11	8,619,413	.....	U.K.	
		Working capital arrangement	3,350,000			
Defence Industries Limited	Verdun, P.Q.	Small Arms ammunition	675,000			
DeHaviland Aircraft of Canada, Ltd.	West Toronto, Ont.	Air fuselages	130,060	Canada.		
DeHaviland Aircraft of Canada, Ltd.	West Toronto, Ont.	Principal overhaul depot	136,239	Canada.		
DeHaviland Aircraft of Canada, Ltd.	West Toronto, Ont.	Manufacture of Anson fuselages and machinery and assembly	767,875	Canada.		
Dominion Bridge Co. Ltd.	Montreal, P.Q.	3·7″ cartridge cases; 4″ cartridge cases	83,850	Canada.		
Dominion Bridge Co. Ltd.	Montreal, P.Q.	25 pdr. shell—cartridge cases	350,175			
		3·7″ shell—cartridge cases	1,505,195	.....	U.K.	
Dominion Bridge Co. Ltd.	Montreal, P.Q.	2 pdr. guns Mk. VIII	4,000,000	.....	U.K.	
Dominion Engineering Co. Ltd.	Lachine, P.Q.	Machine tools	800,000	Canada.		
Dominion Engineering Co. Ltd.	Montreal, P.Q.	6 pdr. Anti-tank gun	6,232,000	Canada.		
Dominion Engineering Co. Ltd.	Montreal, P.Q.	2 pdr. Mark VII mountings	180,000	.....	U.K.	
Dominion Engineering Works Ltd.	Longueuil, P.Q.	2 pdr. anti-tank guns and mechanisms, Mark X	4,435,507	25%	75%	Joint
Dominion Engineering Works Ltd.	Longueuil, P.Q.	Working Capital for 2 pdr. A.T. guns	500,000			
Dominion Forge & Stamping Co. Ltd.	Walkerville, Ont.	25 pdr. shell H.E.–Forging	93,600	.....	U.K.	
Dominion Foundries and Steel Co. Ltd.	Hamilton, Ont.	Heat, treat and straighten armour plate	723,535	Canada.		
Dominion Foundries and Steel Co. Ltd.	Hamilton, Ont.	3·7 A.A. loose barrel forgings	994,405	.....	.....	Joint 50%
Dominion Rubber Co. Ltd.	Kitchener, Ont.	Tires	163,469	Canada.		
Dominion Rubber Co. Ltd.	Kitchener, Ont.	Tooling to produce 10·50 x 20 sand tires	67,632	.....	U.K.	
Dominion Steel & Coal Corp. Ltd.	New Glasgow, N.S.	4″ H.A. single mounting, 4″ twin mountings (naval)	3,500,000	.....	U.K.	
Dunlop Tire and Rubber Goods Co. Ltd.	Toronto, Ont.	Gun firing and brake control equipment and relay control valves	44,000	Canada.		
Dunlop Tire and Rubber Goods Co. Ltd.	Toronto, Ont.	9·00 x 16 R.F. tires for military purposes	8,825	Canada.		
Dunlop Tire and Rubber Goods Co. Ltd.	Toronto, Ont.	New size runflat tires, tubes and spares	6,195	Canada.		
Dunlop Tire and Rubber Goods Co. Ltd.	Toronto, Ont.	Tooling to produce 10·50 x 20 sand tires	3,200	.....	U.K.	
Dunlop Tire and Rubber Goods Co. Ltd.	Toronto, Ont.	9·00 x 16 R.F. tires for military purposes	148,500	Canada.		
Duplate Tool and Die Co. Ltd.	Toronto, Ont.	Gauges	36,832	Canada.		
Eastern Car Company Ltd.	Trenton, N.S.	4″ twin and 4″ single gun mountings	3,500,000	.....	U.K.	
Electric Reduction Co. of Canada Ltd.	Buckingham, P.Q.	Yellow and red phosphorous	290,000	Canada.		

DIGEST OF CANADIAN AND BRITISH PROGRAMME OF CAPITAL ASSISTANCE TO INDUSTRY—*Continued*

Name of Company	Location of Plant	Nature of Production under Assistance Agreement	Commitments Total	Government Committed		
				Canada	United Kingdom	Joint (with %)
			$			
Electric Reduction Co. of Canada Ltd..	Buckingham, P.Q.....	Potassium chlorate, ammonium perchlorate, potassium perchlorate, barium chlorate.....	131,000	Canada.		
Electric Steels Limited.....	Cap de la Madeleine, P.Q.....	Bombs.....	1,056,600	Canada.		
Electric Steels Limited.....	Cap de la Madeleine, P.Q.....	Working capital (assistance).....	575,000			
English Electric Co. of Canada Limited.	St. Catharines, Ont.....	Transformers, motors, switch gear.....	719,165	Canada.		
Fairchild Aircraft Limited.....	Longueuil, P.Q.....	Bolingbroke Aircraft (addition to P.C. 6887).....	66,880	Canada.		
Fairchild Aircraft Limited.....	Longueuil, P.Q.....	Increased production of Bolingbroke Aircraft.....	55,000	Canada.		
Firestone Tire & Rubber Co. Ltd.....	Hamilton, Ont.....	9·25 x 16 R.F. tires, tubes, and spacers..	6,100	Canada.		
Firestone Tire & Rubber Co. Ltd.....	Hamilton, Ont.....	Tooling to produce 10·50 x 20 cross country tires.....	5,039	.....	U.K.	
Firestone Tire & Rubber Co. Ltd.....	Hamilton, Ont.....	Tires.....	124,900	Canada.		
Fleet Aircraft Limited.....	Fort Erie, Ont.....	Manufacture of aircraft.....	2,900,000	Canada.		
Fleet Aircraft Limited.....	Fort Erie, Ont.....	Manufacture and overhaul depot.....	514,273	Canada.		
Fleet Aircraft Limited.....	Fort Erie, Ont.....	Overhaul of Kinner Engines.....	22,000	Canada.		
Ford Motor Company of Canada Ltd...	Windsor, Ont.....	Constant velocity universal joints for four wheel drive mechanical transport vehicles.....	250,000	Canada.		
Ford Motor Company of Canada Ltd....	Windsor, Ont.....	Mechanical transport vehicles of the four wheel drive type.....	1,500,000	Canada.		
Ford Motor Company of Canada Ltd...	Windsor, Ont.....	Universal carriers.....	1,121,000	Canada.		
Ford Motor Company of Canada Ltd...	Windsor, Ont.....	Four wheel drive motor transport.....	1,000,000	Canada.		
General Engineering Co.....	Pickering, Ont.....	Filling fuses, primers, etc.....	2,250,000	Canada.	U.K.	1/8 Can. 7/8 U.K.
General Motors of Canada Limited.....	Oshawa, Ont.....	Army type Quad. 4 x 4 motor vehicles...	1,500,000	Canada.		
General Motors of Canada Limited.....	Oshawa, Ont.....	Four wheel drive motor transport.....	1,000,000	Canada.		
Goodrich Tire & Rubber Co. Ltd.....	Kitchener, Ont.....	Tires.....	30,109	Canada.		
Goodyear Tire & Rubber Co. of Canada Limited.....	New Toronto, Ont.....	Production of 9·25 x 16 R.F. Tires, tubes and spacers.....	6,000	Canada.		
Goodyear Tire & Rubber Co. of Canada Limited.....	New Toronto, Ont.....	Tooling to produce 10·50 x 20 sand tires...	28,900	.....	U.K.	
Goodyear Tire & Rubber Co. of Canada Limited.....	New Toronto, Ont.....	Tires.....	40,000	Canada.		
Goodyear Tire & Rubber Co. of Canada Limited.....	New Toronto, Ont.....	Tires.....	592,433	Canada.		
Gutta Percha Rubber Company Limited.....	Toronto, Ont.....	Tires.....	30,074	Canada.		
Hamilton Bridge Co. Limited.....	Hamilton, Ont.....	Steel body and turret adapted to the 4 x 4 Ford chassis (one experimental)...	6,500	Canada.		
Hamilton Gear & Machine Company....	Toronto, Ont.....	Tank transmission.....	363,000	Canada.		

John Hay and Company	Ottawa, Ont.	Gauges	33,770	Canada.		
Hayes Steel Products Limited	Merritton, Ont.	Mechanical transport vehicles, parts and aircraft parts	398,000	Canada.		
Houser Machine Works	Merritton, Ont.	Gauges	26,950	Canada.		
Ingersoll Machine & Tool Co. Ltd.	Ingersoll, Ont.	40 mm. Shell Mk. II–T/L	216,279	.....	U.K.	
John Inglis Company Ltd.	Toronto, Ont.	Bren Mk. I Machine Gun (7,000 Guns for Canada; 5,000 for U.K.) Original contracts to be completed in four years.	.....	Canada.	U.K.	2/3 Can. 1/3 U.K.
John Inglis Company Ltd.	Toronto, Ont.	Extension to produce 5,000 extra guns per year	1,328,910	.....	U.K.	
John Inglis Company Ltd.	Toronto, Ont.	Extension to produce 2,000 extra barrel assemblies per month.	407,605	.....	U.K.	
John Inglis Company Ltd.	Toronto, Ont.	Extension to produce 15,000 extra guns per year	1,357,288	Canada.	U.K.	1/3 Can. 2/3 U.K.
John Inglis Company Ltd.	Toronto, Ont.	Colt-Browning MG 40 machine Gun 5,000 per year	2,603,537	Canada.	U.K.	1/3 Can. 2/3 U.K.
		Extension to increase to 20,000 year	3,059,320			
John Inglis Company Ltd.	Toronto, Ont.	Extension to increase by 25,000 per year. This is to be divided as required: a—M1919A4 Tanks b—MG 40 Planes c—MG 38 Infantry	4,338,510	Canada.	U.K.	1/3 Can. 2/3 U.K.
John Inglis Company Ltd.	Toronto, Ont.	(The above allotments appear to have been merged into a single project whose total commitment is $13,095,170 under P.C. 6988.)				
John Inglis Company Ltd.	Toronto, Ont.	Boys anti-tank rifle Mk. I	3,354,958	Canada.	U.K.	1/3 Can. 2/3 U.K.
John Inglis Company Ltd.	Toronto, Ont.	Working capital for production	2,000,000	Canada.	U.K.	1/3 Can. 2/3 U.K.
Kelsey Wheel Company Limited	Windsor, Ont.	Sub-contractor Ford Motor Company carriage production	110,600	Canada.		
MacDonald Bros. Aircraft Ltd.	Winnipeg, Man.	Overhaul depot	46,171	Canada.		
MacDonald Bros. Aircraft Ltd.	Winnipeg, Man.	Manufacture Anson wings and overhaul depot	651,505	Canada.		
MacDonald Bros. Aircraft Ltd.	Winnipeg, Man.	Manufacturing winter modification parts.	15,626	Canada.		
MacDonald Bros. Aircraft Ltd.	Winnipeg, Man.	Furniture for Anson parts manufacture and overhaul	894	Canada.		
MacKenzie Aircraft Ltd.	Edmonton, Alta.	Principal overhaul depot	479,787	Canada.		
MacKenzie Aircraft Ltd.	Edmonton, Alta.	Principal overhaul depot	4,724	Canada.		
McKinnon Industries Limited	St. Catharines, Ont.	Fuze 199—Mk. IV	21,588	.....	U.K.	
McKinnon Industries Limited	St. Catharines, Ont.	6″ How.—Fuze 119; 25 pdr.—Fuze 119; 4·5″ How.—Fuze 119	872,526	.....	U.K.	
McLennan Foundry and Machine Works.	Campbellton, N.B.	6″ How. Shell Mk. ID/L machining	182,526	.....	U.K.	
M. & C. Aviation Ltd.	Prince Albert, Sask.	Aircraft overhaul depot	74,569	Canada.		
M. & C. Aviation Ltd.	Prince Albert, Sask.	Overhaul base	6,590	Canada.		
M. & C. Aviation Ltd.	Prince Albert, Sask.	Office furniture for overhaul depot	450	Canada.		
Manitoba Bridge and Iron Works Ltd.	Winnipeg, Man.	4·5″ How. shell—machining 25 pdr. shell H.E.—Forging	338,625	.....	U.K.	
Manitoba Bridge Co. Ltd.	Winnipeg, Man.	4·5″ How. Shell	5,525	.....	U.K.	
Maritime Steel and Foundries Limited.	New Glasgow, N.S.	6″ How. shell Mk. ID/L—machining	224,203	.....	U.K.	

DIGEST OF CANADIAN AND BRITISH PROGRAMME OF CAPITAL ASSISTANCE TO INDUSTRY—*Continued*

Name of Company	Location of Plant	Nature of Production under Assistance Agreement	Commitments Total	Government Committed		
				Canada	United Kingdom	Joint (with %)
			$			
Massey-Harris Co. Ltd.	Toronto, Ont.	40 mm. shell Mk. II-T/L 25 pdr. shell H.E.—machining	371,801	.....	U.K.	
Massey-Harris Co. Ltd.	Toronto, Ont.	25 pdr. shell	2,584	.....	U.K.	
Mid-West Aircraft Limited	Winnipeg, Man.	Overhaul primary trainers	6,040	Canada.		
Robert Mitchell Co. Limited	Montreal, P.Q.	25 pdr. shell—cartridge case	442,775	.....	U.K.	
Modern Tool Works Limited	Toronto, Ont.	Machine tools	145,000	Canada.		
Montreal Construction Supply and Equipment Limited	Montreal, P.Q.	18 pdr. Shell H.E.	307,500	Canada. (Dept. of N	U.K. ational Def	ence agree-
Montreal Locomotive Works Limited	Montreal, P.Q.	6″ How. Shell Mk. ID/L—machining; 9·2″ How. Shell Mk. ID/L—machining	1,602,696	.....	U.K.	
Montreal Locomotive Works Limited	Montreal, P.Q.	Production of M. III cruiser tanks and 5·5 gun carriages (two separate agreements —(1) construction of plant, (2) production of tanks and gun carriages)	5,145,000	3,295,000	1,850,000	Joint
Morrow Screw and Nut Company, Limited	Ingersoll, Ont.	3·7″ ammunition—Primer No. 11; 4·5″ How.—Primer No. 1 Mk. II	81,015	.....	U.K.	
Mueller Limited	Sarnia, Ont.	3·7″ Ammunition—Gaine No. II	163,922	.....	U.K.	
Mueller Limited	Sarnia, Ont.	Gaine No. 10 Mk. IZ	55,105	.....	U.K.	
National Cash Register Co. of Canada Limited	Toronto, Ont.	25 pdr. smoke—Fuze 221	263,925	.....	U.K.	
National Cash Register Co. of Canada Limited	Toronto, Ont.	Fuze 199—Parts	41,449	.....	U.K.	
National Steel Car Corp., Ltd.	Montreal, P.Q.	3·7 Shell QF. H.E. Mk. I C/1	96,263	.....	U.K.	
Nichols Chemical Company, Ltd.	Clark Is., P.S.	Sulphuric Acid	1,406,500	.....	U.K.	
Noorduyn Aviation Limited	Montreal, P.Q.	Manufacture Norseman and assembly	741,000	Canada.		
Noorduyn Aviation Limited	Montreal, P.Q.	Aircraft overhaul depot	28,724	Canada.		
Northern Electric Limited	Montreal, P.Q.	3·7″ Ammunition—Fuze 199	848,146	.....	U.K.	
Northern Electric Limited	Montreal, P.Q.	Fuze 199—Parts	4,892	.....	U.K.	
Otis-Fensom Elevator Company Limited	Hamilton, Ont.	40 mm. Bofors Loose Barrels	779,171	.....	U.K.	
Otis-Fensom Elevator Company Limited	Hamilton, Ont.	40 mm. Bofors Equipment	9,936,583	25%	75%	Joint
Otis-Fensom Elevator Company Limited	Hamilton, Ont.	Working capital (Mfg. of 40 mm. Bofors Ordnance and mountings	300,000	50%	50%	
Page-Hersey Tubes Ltd.	Toronto, Ont.	6″ How. shell—Forging	75,780	.....	U.K.	
Parker Pen Co. Ltd.	Toronto, Ont.	Primers No. 14	25,600	.....	U.K.	
Peacock Bros. Limited	Montreal, P.Q.	Domes, patterns Nos. 3057 and 6936	10,000	Canada		
			30,000	Canada.		

Peacock Bros. Limited	Montreal, P.Q.	A.S. equipment	40,000	Canada.	
Pedlar People Limited	Oshawa, Ont.	40 mm. cartridge case, 4·5 How. cartridge case	529,189	.....	U.K.
Pratt and Whitney Co. Limited	Dundas, Ont.	Gauges	53,024	Canada.	
Renfrew Electric and Refrigerator Co. Ltd.	Renfrew, Ont.	Machine tools for the manufacture of aircraft electrical equipment	50,000	Canada.	
Robb Engineering Works Limited	Amherst, N.S.	6″ How. shell Mk. ID/L—Mach.	208,026	.....	U.K.
Sangamo Company Ltd.	Toronto, Ont.	Electrical equipment recorders	25,000	Canada	
Sawyer-Massey Limited	Hamilton, Ont.	12 pdr. HA/LA Mk. IX.	60,000	.....	U.K.
Sawyer-Massey Limited	Hamilton, Ont.	Manufacture of 12 pdr. HA/LA Mk. IX gun mountings	50,000	.....	U.K.
Shaw-Tool and Machine Company	Toronto, Ont.	Gauges	18,200	Canada	
Shawinigan Chemicals Limited	Shawinigan Falls, P.Q.	Carbide	1,140,000	.....	U.K.
Shawinigan Chemicals Limited	Shawinigan Falls, P.Q.	Monoethylaniline	237,000	.....	U.K.
Sherbrooke Pneumatic Tool Company Ltd.	Montreal, P.Q.	6″ How. shell Mk. ID/L—Machining	271,920	.....	U.K.
Sieberling Rubber Co.	Toronto, Ont.	Tooling to produce 10·50 x 20 cross country tires	5,006	.....	U.K.
Sieberling Rubber Co.	Toronto, Ont.	Tires	100,025	Canada.	
Sicard Limited	Montreal, P.Q.	Four-wheel drive trucks fitted with snow blower units	200,000	Canada.	
Singer Manufacturing Co.	St. Johns, P.Q.	25 pdr. Smoke-Fuze 221	240,233	.....	U.K.
N. Slater Company, Limited	Hamilton, Ont.	40 mm. Cart. Case—Primer No. 18 body forgings	53,680	.....	U.K.
Small Electric Motor Limited	Toronto, Ont.	High frequency alternator and governor type motors	75,000	Canada.	
Sorel Industries Limited	Sorel, P.Q.	25 pdr. guns and mechanisms	7,500,000	93%	7%
Sorel Industries Limited	Sorel, P.Q.	4″ gun Mk. XVI, 4″ Mk. V. guns	4,320,000	Can. paid for land.	U.K.
Sorel Industries Limited	Sorel, P.Q.	4″ Mk. XVI gun (naval)	3,000,000	.....	U.K.
Standard Chemical Co.	Montreal, P.Q.		60,000	Canada.	
Standard Machine Works	Winnipeg, Man.	Aeroplane engine overhaul depot	35,586	Canada.	
Standard Machine Works	Winnipeg, Man.	Aircraft overhaul depot	6,000	Canada.	
Stanley Steel Company	Hamilton, Ont.	Steel for S.A.A. charger clips	35,000	.....	U.K.
Steel Company of Canada, Ltd.	Hamilton, Ont.	Pig iron and steel ingots	3,855,000	Canada.	
Steel Company of Canada, Ltd.	Hamilton, Ont.	6″ How. Shell Mk. ID/L–Forging	849,900	.....	U.K.
Sutton-Horsley Co. Limited	Toronto, Ont.	Aircraft spare parts	15,500	Canada.	
Trans-Canada Air Lines	Winnipeg, Man.	Repair operations	10,000	Canada.	
Trans-Canada Air Lines	Malton, Ont.	Airframe overhaul depot	18,924	Canada.	
Trenton Steel Works Limited	Trenton, N.S.	6″ How. Shell Mk. ID/L–Forging; 4″ Shell F.A.H.E. 35 lb. Mk. IB(N) Machining; 4″ Shell F.A.H.E. 35 lb. Mk. IB(N) Forging	673,272	.....	U.K.
Trenton Steel Works	New Glasgow, N.S.	3·7 A.A. jackets, breech rings and breech blocks	539,735	50%	50%
Trenton Steel Works	Trenton, N.S.	4·7 H.E. Shell	75,000	.....	U.K.
United Steel Corp., Limited	Toronto, Ont.	25 pdr. Shell H.E.—machining	471,440	.....	U.K.
Valois and Valois	Montreal, P.Q.	Gauges	10,020	Canada.	
Viceroy Manufacturing Company, Ltd.	West Toronto, Ontario	6″ How. Shell—Duroc Transit Plug	734	Canada.	

DIGEST OF CANADIAN AND BRITISH PROGRAMME OF CAPITAL ASSISTANCE TO INDUSTRY—*Concluded*

Name of Company	Location of Plant	Nature of Production under Assistance Agreement	Commitments Total	Government Committed		
				Canada	United Kingdom	Joint (with %)
			$			
Vulcan Iron Works, Limited	Winnipeg, Man.	25 Pdr. Shell—Machining	166,928	.....	U.K.	
Waterous Limited	Brantford, Ont.	4·5" How. Shell—Machining	81,100	.....	U.K.	
Waterous Limited	Brantford, Ont.	Tank Transmission	100,000	Canada.		
Welland Chemical Works Limited	Niagara Falls, Ont.	Working Capital	15,000	.....	U.K.	
Western Clock Company	Peterborough, Ont.	Gauges	12,800	Canada.		
Whitehall Machine and Tool Company	Galt, Ont.	Gauges	49,770	Canada.		
Total	.....	.....	$268,499,894			

Capital Assistance by Class of Product
(December 31, 1940)

Shells

Algoma Steel	$ 527,333
Babcock-Wilcox	246,957
Banfield	128,325
Barber Die Casting	2,124
W. Barnes	1,841
Beatty Bros.	61,108
Bendix Eclipse	325,328
Can. Acme Screw	135,726
Can. Acme Screw	959,655
Can. Car & Foundry	1,610,691
Can. Locomotive	889,880
Can. Motor Lamp	453,764
Can. Tube & Steel	411,300
Cockshutt Plow	313,288
Crane Ltd.	155,138
Defence Industries	8,619,413
Defence Industries	3,350,000
Defence Industries	675,000
Dom. Bridge	83,850
Dom. Bridge	350,175
Dom. Bridge	1,505,195
Dom. Forge & Stamping	93,600
Ingersoll	216,279
McKinnon Ind.	21,588
McKinnon Ind.	872,526
McLennan	182,526
Manitoba Bridge	338,625
Manitoba Bridge	5,525
Maritime Steel	224,203
Massey Harris	371,801
Massey Harris	2,584
R. Mitchell	442,775
Montreal Construction	307,500
Montreal Locomotive	1,602,696
Morrow Screw & Nut	81,015
Mueller Ltd.	163,922
Mueller Ltd.	55,105
National Cash Reg.	263,925
National Cash Reg.	41,449
Nat. Steel Car	96,263
Northern Elec.	848,146
Northern Elec.	4,892
Page Hersey	75,780
Parker Pen	25,600
Pedlar People	529,189
Robb Engineering	208,026
Sherbrooke Pneumatic	271,920
Singer Sewing Mach.	240,233
N. Slater	53,680
Steel Co. of Can.	849,900
Trenton Steel	673,272
Trenton Steel	75,000
United Steel Corp.	471,440
Viceroy Mfg.	734
Vulcan Iron Works	166,928
Waterous Ltd.	81,100
	$ 30,765,838

Guns and Mountings

Atlas Steels	$ 349,312
Atlas Steels	4,273
Atlas Steels	171,667
Atlas Steels	161,000
Bata Shoe	136,600
Can. Gen. Electric	3,045,417
Can. Gen. Electric	5,144,632
Can. Locomotive	220,000
C.N.R.	1,315,330
C.N.R.	635,000
C.P.R.	2,485,784
Can. Westinghouse	7,951,910
Dom. Bridge	4,000,000
Dom. Engineering	6,232,000

Guns and Mountings—*Concluded*

Dom. Engineering	$ 180,000
Dom. Engineering	4,435,507
Dom. Engineering	500,000
Dom. Foundries	994,405
Dom. Steel	3,500,000
Eastern Car	3,500,000
John Inglis	1,328,910
John Inglis	407,605
John Inglis	1,357,288
John Inglis	2,603,537
John Inglis	3,059,320
John Inglis	4,338,510
John Inglis	3,354,958
John Inglis	2,000,000
Montreal Locomotive	1,850,000
Otis-Fensom	779,171
Otis-Fensom	9,936,583
Otis-Fensom	300,000
Sawyer-Massey	60,000
Sawyer-Massey	50,000
Sorel Industries	7,500,000
Sorel Industries	4,320,000
Sorel Industries	3,000,000
Trenton Steel	539,735
Small Arms	2,456,892
Small Arms	2,500,000
	$ 96,705,346

Tanks and Carriers

C.P.R.	$ 1,170,000
Ford Motors	1,121,000
Hamilton Gear	363,000
Montreal Locomotive	3,295,000
Waterous Ltd	100,000
	$ 6,049,000

Aircraft

Alu. Goods	$ 4,500
Boeing Aircraft	87,698
Boeing Aircraft	29,940
Boeing Aircraft	1,442,000
Boeing Aircraft	438,000
Boeing Aircraft	27,400
Br. Aeroplane	6,949
Can. Airways	19,201
Can. Airways	5,700
Can. Pratt & Whit	300,000
Can. Pratt & Whit	140,296
Can. Vickers	106,200
Can. Vickers	348,446
Clark Ruse Aircraft	393,710
De Haviland	130,000
De Haviland	136,239
De Haviland	767,875
Fairchild Aircraft	66,880
Fairchild Aircraft	55,000
Fleet Aircraft	2,900,000
Fleet Aircraft	514,273
Fleet Aircraft	22,000
MacDonald Aircraft	46,171
MacDonald Aircraft	651,505
MacDonald Aircraft	15,626
MacDonald Aircraft	894
MacKenzie Aircraft	479,787
MacKenzie Aircraft	4,724
M & C Aviation	74,569
M & C Aviation	6,590
M & C Aviation	450
Mid-West Aircraft	6,040
Noorduyn Aviation	741,000
Noorduyn Aviation	28,724
Standard Machine	35,586
Standard Machine	6,000

Aircraft—*Concluded*

Sutton Horsley	$ 15,500
Trans-Canada	10,000
Trans-Canada	18,924
Br. Aeroplane	10,820
Can. Car	125,000
Can. Pratt & Whit	2,530,417
Fairchild Aircraft	395,970
Fairchild Aircraft	129,144
Fairchild Aircraft	22,000
Can. Vickers	44,000
Federal Aircraft	4,140,850
Federal Aircraft	570,000
Federal Aircraft	70,000
Can. Car & Found	9,100
	$ 18,131,698

Automotive Equipment

Dominion Rubber	$ 163,469
Dominion Rubber	67,632
Dunlop Tire	8,825
Dunlop Tire	6,195
Dunlop Tire	3,200
Dunlop Tire	148,500
Firestone Rubber	6,100
Firestone Rubber	5,039
Firestone Rubber	124,900
Ford Motors	250,000
Ford Motors	1,500,000
Ford Motors	1,000,000
General Motors	1,500,000
General Motors	1,000,000
Goodrich Rubber	30,109
Goodyear Rubber	6,000
Goodyear Rubber	28,900
Goodyear Rubber	40,000
Goodyear Rubber	592,433
Gutta Percha	30,074
Hamilton Bridge	6,500
Hayes Steel	398,000
Kelsey Wheel	110,600
Sieberling	5,006
Sieberling	100,025
Sicard Ltd.	200,000
	$ 7,331,507

Bombs

Can. Acme Screw	$ 457,155
Electric Steels	1,056,600
Electric Steels	575,000
	$ 2,088,755

Chemicals and Explosives

Alta. Nitrogen	$ 10,110,006
Alta. Nitrogen	207,750
Can. Car & Foundry	11,390,372
Chem. Construction Corp.	14,535,431
Consol. Mining	1,162,500
Consol. Mining	7,260,830
Defence Indust.	10,572,800
Defence Indust.	18,670,973
Defence Indust.	284,375
Defence Indust.	9,035,000
Defence Indust.	15,000,000
Defence Indust.	75,000

Chemicals and Explosives—*Concluded*

Defence Indust.	$ 200,000
Electric Reduction	290,000
Electric Reduction	131,000
Gen. Engineering	2,250,000
Nichols Chem.	1,406,500
Shawinigan Chem.	1,140,000
Shawinigan Chem.	237,000
Standard Chem.	60,000
Welland Chem.	15,000
	$ 104,034,537

Machine Tools, Miscellaneous, Etc.

Bata Shoe	$ 28,050
J. Bertram	1,220,000
Brown Boggs	65,000
Can. Dredge & Dock	7,300
Can. Elev. Equip.	20,850
Can. Elev. Equip.	40,420
Corman Engineering	1,000
Corman Engineering	12,500
Dom. Engineering	800,000
Dunlop Tire	44,000
Duplate Tool	36,832
Eng. Electric	719,165
John Hay & Co.	33,770
Houser Machine Works	26,950
Modern Tools Co.	145,000
Peacock Bros.	10,000
Peacock Bros.	30,000
Peacock Bros.	40,000
Pratt & Whitney	53,024
Renfrew Electric	50,000
Sangamo Co.	25,000
Shaw Tool	18,200
Small Electric	75,000
Valois	10,020
Western Clock	12,800
Whitehall Machine	49,770
Dept. of Transport	25,000
Research Enterprise	750,000
Westinghouse	25,000
	$ 4,374,651

Materials Not End Products

Anaconda	$ 2,290,000
Anaconda	535,120
Anaconda	150,000
Can. Wire & Cable	5,200,000
Dom. Foundries	723,535
Steel Co. of Can.	3,855,000
Metals Controller	290,000
Metals Controller	43,687
Metals Controller	3,000,000
Nat. Research Council	15,000
Allied War Supplies	1,000,000
Atlas Plant Ext.	5,500,000
Citadel Mfg.	2,000,000
Citadel Mfg.	2,500,000
Fairmont Co.	7,000,000
Melbourne Co.	1,000,000
Plateau Co.	1,000,000
Research Enterprises	1,500,000
Stanley Steel	35,000
	$ 37,637,342

Mr. HARRIS (Danforth): Would the minister give us also the story regarding the commonwealth air training No. 1 depot at Toronto, the small arms ammunition plant at Long Branch, the development at Pickering, Ontario, and the new development at Scarborough? Perhaps the minister could give us this information on Monday next.

Progress reported.

On motion of Mr. Lapointe (Quebec East) the house adjourned at 6.03 p.m.

Monday, February 24, 1941.

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

GRADING OF HOGS

Mr. McGREGOR:

1. Under the prevailing system of rail grading of hogs, into how many grades do hog carcasses fall?
2. What is the base or foundation grade called?
3. What are the names of higher grades, if any?
4. What premium over the price for the base grade is paid for each higher grade?
5. What are the names of lower grades, if any?
6. What deduction from the price for the base grade is made for each lower grade?
7. How, and by whom, is the difference in each grade determined?
8. How, and by whom, are the differentials in the price paid for each grade determined?

Mr. GARDINER:

1. There are five main quality grades for hog carcasses. Including all sub-divisions, there are fifteen different classifications.
2. "B 1" grade.
3. "A" grade.
4. One dollar per head premium is paid for "A" grade carcasses.

5 & 6. Deductions from basic grade: B 2 50 cents per head; B 3 $1.50 per head; C 1 $1 per head; C 2 $1 per head; C 3 $2 per head; D 1 $1.50 per head; D 2 $1.50 per head; D 3 $2.50 per head; light, $2.50 per head; heavy, $3 per head; extra heavy, $2 to $3 per cwt.; sows, approximately $5 per cwt.; E grade, at value.

Note: These deductions vary according to time and place. The above are believed to be in effect in Toronto at the present time.

7. The standards of quality for the various grades are established by the department, while the actual grading of carcasses is done by official graders appointed by the Civil Service Commission.

8. In 1922, the premium on the select bacon grade was established by agreement between the department and the joint swine committee, the membership of which includes representatives of various producers organizations. Subsequent modifications in the method of calculating the premium have been decided in the same way. On at least two occasions, general conferences of producers and live stock shippers were called to discuss grading and settlements for hogs and, in addition, provincial departments of agriculture were consulted.

The deductions on undesirable grades are established within the trade, between buyer and seller, according to the commercial value of the various qualities.

WAR REFUGEES

Mr. ROY:

1. Has an agreement been reached between the dominion government and that of the province of Quebec on the subject of war refugees?
2. If so, what is the nature of such agreement?
3. Is such agreement the same for all the other provinces of Canada?

Mr. CRERAR:

1. No formal agreement has been reached with the government of the province of Quebec on the subject of war refugees. There is, however, a general understanding between the dominion and all the provinces regarding the movement of British children from overseas to Canada. The understanding reached was that the children coming to Canada under this movement would be taken care of for the duration of the war. The provinces agreed to accept the responsibility for their placement and general aftercare, using the existing facilities in each province without cost to the dominion, the dominion agreeing to reimburse them for any additional costs they might incur.
2. Answered by No. 1.
3. Answered by No. 1.

GASPÉ AND MAGDALEN ISLANDS CHIEF CENSUS OFFICER

Mr. ROY:

1. Who has been named chief census officer for the county of Gaspé and the Magdalen islands?
2. By whom was he recommended for the position?

Mr. MacKINNON (Edmonton West):

1. Gaspé North, Louis Marie Keable; Gaspé South and Magdalen Islands, Terrance Pidgeon.
2. The Minister of Trade and Commerce.

CANADIAN TRAVEL BUREAU

Mr. ISNOR:

1. What are the names, addresses and amounts paid to each of the various firms or persons who received portions of the $40,147.57 for booklets and connecting work, in connection with the Canadian travel bureau, for the fiscal year 1939-40?

2. What festivals and celebrations, with addresses and amounts in each case, make up the $25,500 reported to have been so expended by the said bureau?

3. In each case, what form of assistance was given, stating whether it was in cash, advertising, purchase of booklets and printed matter, premiums and other devices?

Mr. HOWE:

1. Cockfield, Brown and Company, Limited, Montreal, P.Q., $40,147.57.

2. (a) Seventy-fifth anniversary of fathers of confederation conference, Charlottetown, P.E.I., $20,000. (b) Saguenay centennial celebration, Chicoutimi, P.Q., $5,000. (c) Annapolis Valley apple blossom festival, Kentville, N.S., $500.

3. Dominion grants in cash.

IMPORTS OF VEGETABLE OIL

Mr. SENN:

What quantity of vegetable oil was imported into Canada from the United Kingdom for the calendar years 1938, 1939 and 1940?

Mr. MacKINNON (Edmonton West): Imports from the United Kingdom of vegetable oils entered for consumption in Canada during the calendar years 1938, 1939 and 1940:—

Item	Unit	1938	1939	1940
Cocoanut oil, n.o.p., edible	Gal.	10,091	12,197	....
Cotton seed oil, refined, edible for canning	Gal.	115,000	169,906	....
Cotton seed oil, n.o.p., edible	Gal.	930	19,291	....
Olive oil, n.o.p., edible	Gal.	298	755	47
Peanut oil, n.o.p., edible	Gal.	7,151	4,840	....
Soya bean oil, n.o.p., edible	Gal.	56,139	30,194	....
Castor oil	Gal.	115,267	52,172	12,188
Cocoanut oil, not edible, for mfr. of soap	Gal.	5,803	14	20,933
Cotton seed oil for refining	Cwt.	140,419	36,734	....
Essential oil	Lb.	50,581	42,439	64,205
Eucalyptus oil	Lb.	....	6	....
Flaxseed or linseed oil	Cwt.	2,900	1,999	330
Foots of cotton seed	Cwt.	....	....	74
Olive oil for soap	Gal.	230	....	....
Palm oil for soap	Cwt.	17,214	17,581	....
Peanut oil, crude, for refining	Cwt.	715,775	236,952	....
Peanut oil for manufacture of soap	Gal.	876,856	164,331	....
Peppermint oil	Lb.	4,566	2,904	3,760
Rape seed oil	Gal.	20,927	9,946	3,909
Rosin oil	Gal.	6,030	3,126	4,568
Soya bean oil for manufacturing soap	Gal.	4,656	5,809	....
Vegetable oil, n.o.p., not edible	Gal.	114,852	120,619	2,825

PERMITS FOR EXPORTS OF SAW-LOGS FROM BRITISH COLUMBIA

Mr. MacINNIS:

1. Have any permits been issued for the export of saw-logs to non-empire countries from British Columbia, under the orders issued by the lumber controller on July 6 last, or under order in council No. 7156 of December 4, 1940?

2. If permits have been issued, (a) what are the names of the companies in British Columbia to which permits were issued; (b) to what countries were such logs exported; (c) what quantities were exported?

Mr. HOWE:

1. No.

2. Answered by 1.

[Mr. J. A. MacKinnon.]

WAR PICTURES PRESENTED BY LORD BEAVERBROOK TO CANADIAN GOVERNMENT

Mr. BRUCE:

1. Have the war pictures of the Canadian forces presented by Lord Beaverbrook to the Canadian government after the last war, been given a special place in the national art gallery?

2. If not, where are they at present housed?

Mr. HOWE: A special gallery on the ground floor of the national gallery was constructed in 1939 in which a selection of the more important pictures are now hanging. This selection of pictures is changed from time to time. Eight large canvases also hang on the walls of the senate chamber and the balance are stored

in a fire-proof storage room, specially prepared under the supervision of the national gallery officials, in the auditorium building.

ROYAL CANADIAN MOUNTED POLICE—HEADQUARTERS IN QUEBEC CITY

Mr. ROY:

1. At what address and in what building in the city of Quebec is the local division quartered?

2. Does the property belong to the government? If so, when was it purchased, from whom and at what price?

3. If not, to whom does it belong, and if rented, (a) from whom, (b) since when, (c) for how much per month or year, (d) is all the property occupied, or only part, (e) what part is occupied?

Mr. LAPOINTE (Quebec East):

1. At 596 St. Jean Street, Quebec; in the building owned by Mr. Joseph N. Roy.

2. No.

3. (a) The building is rented from Mr. Joseph N. Roy, 271 St. Peter Street, Quebec. (b) From the 1st April, 1940. (c) $200 per month. (d) Yes, all occupied. (e) Answered by (d) above.

CANADIAN NATIONAL RAILWAYS—MONTREAL TERMINAL

Mr. BRUCE:

1. What amount of money was spent on the terminal at Montreal, of the Canadian National Railways, during the year 1940?

2. How much of this was for material and how much for labour?

Mr. HOWE:

1. Information will be included in the statement of expenditures during previous calendar year required under the Montreal Terminal Act, 1929, to be filed shortly with the Minister of Transport for tabling in parliament.

2. Information requested will not be available since most of the work in question was performed under contract.

WAR MATERIALS AND SUPPLIES—CONTRACTS FOR CLOTHING AND EQUIPMENT, QUEBEC CITY AND DISTRICT

Mr. ROY:

1. Has the government awarded contracts for clothing and equipment for the troops in the city and district of Quebec, since September 3, 1939, to date?

2. If so, (a) who are the recipients of these contracts, (b) what is the amount of each, (c) what is the total amount?

Mr. HOWE:

1. Yes.

2. Contracts have been awarded to several hundred firms for clothing and equipment for the armed forces. Distribution of this is made from a central depot. It is impossible to answer the question in its present form.

Mr. ROY:

1. Has the government awarded contracts for clothing and equipment for the troops in the city and district of Quebec to Maurice Pollack, or Maurice Pollack, Limited, since September 3, 1939, to date?

2. If so, (a) how many of such contracts, (b) on what date and for what amount in each case, (c) what is the total amount of such contracts?

Mr. HOWE:

1. No.

2. Answered by 1.

Mr. ROY:

1. Has the government awarded contracts for clothing and equipment for the troops in the city and district of Quebec to Pollack and Dorfman, since September 3, 1939, to date?

2. If so, (a) how many of such contracts, (b) on what date and for what amount in each case, and (c) what is the total amount of such contracts?

Mr. HOWE:

1. Contracts have been awarded to several hundred firms for clothing and equipment for the armed forces. Distribution of this is made from a central depot, and it is therefore impossible to answer this question in its present form.

2. Contracts have been awarded to the firm of Pollack and Dorfman, 92-98 des Prairies Street, Quebec, Quebec.

(a) 9.

(b) December 6, 1939, $12,625; December 6, 1939, $8,875; May 10, 1940, $65,938; July 17, 1940, $26,900; July 17, 1940, $18,300; July 19, 1940, $2,288; August 9, 1940, $180,800; October 18, 1940, $216,000; February 12, 1941, $84,000.

(c) $615,726.

The amounts shown do not include the cost of the cloth supplied the contractor by the Department.

Mr. ROY:

1. Has the government awarded contracts for clothing and equipment for the troops in the city and district of Quebec to Samuel Dorfman, since September 3, 1939, to date?

2. If so, (a) how many, (b) on what date and for what amount in each case, and (c) for what total sum?

Mr. HOWE:

1. No.

2. Answered by 1.

BACON BOARD

Mr. WRIGHT:

1. What remuneration does the chairman of the bacon board receive for his services?

2. What amounts have been paid since the setting up of this board to the chairman and the other members of the board in (a) salary, and (b) expenses, respectively?

Mr. GARDINER:

1. $12 per diem allowance for all meetings of the bacon board ex place of residence.

2. (a)

Bacon Board

Expenditure to January 31, 1941

	*Per diem Allowance	Travelling Expenses	Total
J. G. Taggart..	$1,434	$904.87	$2,338.87
L. C. McOuat ..	1,332	29.20	1,361.20
S. E. Todd ..	1,212	522.78	1,734.78
A. Morin	324	171.75	495.75

*$12 per diem for all meetings ex place of residence.

2. (b)

Advisory Board

	Expenses
J. H. Tapley	$115.30
W. J. Reid	257.57
J. Harrold	505.25
F. H. Downing	361.02
J. E. Bisson	96.45
K. N. Morrison	241.05
G. Wilson	158.50

QUESTIONS PASSED AS ORDERS FOR RETURNS

MILK AND BUTTER—PRICES AND STORAGE

Mr. LACOMBE:

1. What was the average price of milk paid to the producer in Montreal during the months of May, June, July, August and September, 1940, and also during the months of October, November and December of the same year?

2. What was the average price of butter paid to the producer in each of the above mentioned months?

3. What was the quantity of butter held in cold storage in Canada during the months of September, October, November and December, 1940?

4. Were any measures taken by the government to ascertain who was responsible for this combine for the restraint of trade in butter?

5. If so, what were they?

6. Were any prosecutions instituted against the authors and those who gained by this combine in restraint of trade?

7. If so, when, and what were the results of these prosecutions?

JOHN INGLIS COMPANY—BREN GUN CONTRACT

Mr. COLDWELL:

1. What was the amount due to the John Inglis Company under the original Bren gun contract up to October 31, 1940, (a) on Canadian account; (b) on British government account?

2. What was the amount due the John Inglis Company under the new Bren gun contracts up to March 31, 1940, (a) on Canadian account; (b) on British government account?

3. What adjustment payments arising out of the cancellation of the original Bren gun contract have been paid or are to be paid to the John Inglis Company, (a) what were the bases of these payments; (b) what amounts have been paid to date?

WAR REFUGEES

Mr. ROY:

1. How many refugees have been admitted into Canada since the outbreak of war?

2. How many race horses, dogs or other animals have been brought into Canada by these refugees?

3. How many of such refugees have been located in the province of Quebec and how many in each of the other provinces?

4. What understanding has been reached between Canada and Great Britain with regard to war refugees, children and others?

5. What amount has the Canadian treasury been called upon to spend for the maintenance of these refugees?

Mr. CRERAR: This should stand as an order for return. I would point out to the hon. member that there is no classification of "refugees" in the records of the immigration department. I do not think the first part of the question can be answered in the terms in which the hon. gentleman has asked it.

Mr. SPEAKER: Order for return.

NATIONAL HARBOURS BOARD EMPLOYEES

Mr. ISNOR:

What were the rates of pay, regular and overtime, and hours worked for the following classes of employees of the national harbours board at Vancouver, Montreal and Halifax as at December 31, 1940: police constables, police sergeants, police chiefs, watchmen, firemen, labourers, labour foremen, sweepers, chauffeurs, truck drivers, carpenters, carpenter helpers, foremen carpenters, plumbers, plumber helpers, electricians, electrician helpers, pipe fitters, pipe fitters' helpers, rigger helper, rigger, foreman rigger, blacksmith, blacksmith helper, welder, welder helper, painter?

INTERNMENT CAMPS

Mr. ROY:

1. Were any internment camps established in Canada during the last war? If so, how many and where were they located?

2. How many persons were interned in these camps and how many of them were Canadians?

3. How many internment camps have been established during the present war and how many Canadians are in them?

PURCHASE OF LAND IN SCARBOROUGH TOWNSHIP, YORK COUNTY, ONT.

Mr. McGREGOR:

1. Has the government bought land in Scarboro township, York county, during the last two years?

2. If so, how many sites and how many acres in each site?
3. (a) Have contracts been let for buildings to be erected on sites mentioned in questions one and two; (b) if so, who are the contractors?
4. Were tenders called for the buildings to be erected on above sites?

EMPLOYMENT OF LAWYERS BY DOMINION GOVERNMENT

Mr. WINKLER:

1. What are the names of lawyers employed by the dominion government or any department thereof, or any dominion board or commission, such as the board of grain commissioners, the transport board, the Canadian wheat board, the Canada farm loan board, the soldier settlement board, etc., in the province of Manitoba in connection with legal work in the years 1935, 1936, 1937, 1938, 1939 and 1940?
2. What fees were paid to each one in those years, specifying the department, board or other body for which such legal work was performed?

PURCHASE OF LAND IN PICKERING TOWNSHIP, ONTARIO COUNTY, ONT.

Mr. HARRIS (Danforth):

1. Has the government bought land in Pickering township, Ontario county, during the last two years?
2. If so, how many acres?
3. For what purpose is the land to be used?

MOTIONS FOR PAPERS

PRAIRIE FARM ASSISTANCE — CORRESPONDENCE WITH RURAL MUNICIPALITY OF ELFROS NO. 307

Mr. NICHOLSON:

For a copy of all correspondence exchanged between the prairie farm assistance branch and the rural municipality of Elfros No. 307 during the year 1940 and to date in 1941.

Mr. GARDINER: I know of no reason why all this information should not be brought down, unless any of it has to do with individual yields—that is where affidavits have been taken—that of course cannot be brought down.

Mr. HANSON (York-Sunbury): Will the minister explain why not?

Mr. GARDINER: In all these cases where an individual has made an affidavit the departmental officials have taken the position continuously since the act was brought in that it would not be in the public interest to bring that information before the house. The individual makes a declaration, which may be four or five acres out one way or the other; it is difficult for individuals to keep track of their acreage sown all the way through the year, and sometimes there is a dispute over the matter which if aired locally might create some misunderstanding.

Mr. HANSON (York-Sunbury): Even then I do not see that that is a reason for not bringing it down here on an order of the house. I do not agree with the minister's reason.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion subject to the limitation stated by the minister?

Motion agreed to.

SHIPMENTS OF POTATOES TO SOUTH AMERICAN COUNTRIES

Mr. HATFIELD:

For a copy of all correspondence and special reports exchanged between J. A. Strong, or the office of the Canadian trade commission in Buenos Aires and the Department of Trade and Commerce of Canada regarding shipments of potatoes from Canada to the Argentine and other South American countries since September 1, 1940, to date.

ST. LAWRENCE WATERWAY—CORRESPONDENCE WITH PROVINCE OF QUEBEC

Mr. ROY:

For a copy of all correspondence, telegrams, and other documents exchanged between the dominion government and the government of the province of Quebec, from January, 1930, to date, regarding the proposed canalization of the St. Lawrence.

Mr. MACKENZIE KING: As hon. members are aware, negotiations have been proceeding between the government of the United States and our government with respect to the St. Lawrence waterway. To bring down the documents requested would require in the first place the consent of the United States government.

Mr. HANSON (York-Sunbury): Not this?

Mr. MACKENZIE KING: Yes, it relates to the St. Lawrence waterway. The fact that the negotiations are between this government and the government of the province of Quebec does not exclude the fact that they relate to matters that are the subject of negotiation at the present time between the United States government and this government, and in the circumstances they should be regarded as confidential. For that reason the correspondence cannot be brought down at the present time.

Mr. HANSON (York-Sunbury): I must register a protest against that. What is asked for is the correspondence between the government of the province of Quebec and the dominion government regarding a project in which the province of Quebec is vitally interested, and to which the United States of America is not a party. I suggest that such correspondence is not and ought not to be treated as confidential, but should be placed on the table of this house for the information

of the Canadian people and especially the people of the province of Quebec who want to know what their government is doing about this.

Mr. ROY: I should be satisfied if the government would produce all the correspondence exchanged between the government of the province of Quebec and the government here at Ottawa, excluding all correspondence with the government of the United States.

Mr. MACKENZIE KING: I understand from my hon. friend that he will be quite satisfied to have such correspondence as has been exchanged between Ottawa and Quebec and which is not confidential because of what it would disclose with respect to present negotiations with the United States. If that is what my hon. friend is asking for—

Some hon. MEMBERS: No.

Mr. MACKENZIE KING: Then as leader of the government of Canada I am being asked to disclose information which relates to negotiations which are pending and which of necessity are confidential as between the two governments. In the first instance I should have to obtain the consent of the government of the United States to the tabling of any correspondence relating to negotiations now taking place. I do not think I would be justified in placing upon the government of the United States the onus of not having this correspondence produced when I know that international procedure would require that it should not be produced. On that basis, I am prepared personally to take the responsibility for not tabling any such correspondence at the present time.

Motion dropped.

LITTLE ANSE, N.S., BREAKWATER

Mr. MacKINNON (Kootenay East):

For a copy of all payrolls for 1940, in connection with the work performed on the breakwater at Little Anse, Richmond county, Nova Scotia?

WAR CONTRACTS—COST-PLUS AND MANAGEMENT-FEE

Mr. HANSON (York-Sunbury):

For a copy of all cost plus contracts and of all management fee contracts, the ultimate expenditure upon which is estimated to exceed $1,000,000, awarded by the defence purchasing board, the war supply board, the Department of Munitions and Supply, the Department of National Defence, the Department of National Defence for Air, or the Department of National Defence for Naval Affairs, since September 1, 1939, together with any supplementary contracts or revisions made to date.

[Mr. R. B. Hanson.]

DEPARTMENT OF AGRICULTURE—A. NEWMAN

Mr. NICHOLSON:

For a copy of all correspondence exchanged between the dominion Department of Agriculture and the Alberta government during the years 1935 to 1940, inclusive, in connection with the work of Mr. A. Newman, field man with the live stock and poultry branch, dominion production service. Also a copy of all correspondence exchanged between the dominion Department of Agriculture and Mr. A. Newman, during the period 1939 to 1940, inclusive, in connection with the resignation of Mr. Newman.

WAR PENSIONS

APPOINTMENT OF COMMITTEE TO CONSIDER PROBLEMS OF EX-SERVICE MEN

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health) moved:

That a select committee be set up to which shall be referred for consideration the general provisions of the Pension Act and the War Veterans' Allowance Act, and to which shall be referred specifically such questions connected with pensions and the problems of ex-service men as the house may deem advisable; and

That rule 65 be suspended in relation thereto; and

That the said committee be empowered to send for persons, papers and records; to examine witnesses for evidence; to print such papers and evidence from day to day as may be ordered by the committee for the use of the committee and members of the house; and to report from time to time; and

That the committee shall consist of the following members: Messrs. Abbott, Black, Blanchette, Brooks, Bruce, Casselman (Grenville-Dundas), Casselman (Edmonton East), Cleaver, Cockeram, Cruickshank, Emmerson, Eudes, Ferron, Gillis, Gray, Green, Harris (Gray-Bruce), Isnor, Lapointe (Matapedia-Matane), Macdonald (Brantford), MacKenzie (Neepawa), Mackenzie (Vancouver Centre), Macmillan, Marshall, McCuaig, McLean (Simcoe East), Mutch, Quelch, Reid, Ross (Middlesex East), Ross (Souris), Sanderson, Thorson, Tucker, Turgeon, Vien, Winkler, Wright.

Hon. R. B. HANSON (Leader of the Opposition): In submitting the names of our soldier members by some inadvertence the name of the hon. member for Hastings-Peterborough (Mr. White) was not included. He is a returned man and while he was incapacitated I do not know whether he is a pensioner. I wonder if the minister would be good enough to add his name to the list of members. This addition would not alter the balance in any way.

Mr. MACKENZIE (Vancouver Centre): I shall be glad to do that.

Mr. SPEAKER: The name of the hon. member for Hastings-Peterborough will be added to the list of members of the committee.

Motion as amended agreed to.

SIR FREDERICK BANTING

INQUIRY AS TO MISSING AEROPLANE ON WHICH SIR FREDERICK WAS A PASSENGER

On the orders of the day.

Hon. R. B. HANSON (Leader of the Opposition): I should like to inquire of the Prime Minister (Mr. Mackenzie King), or perhaps more properly of the Minister of National Defence (Mr. Ralston), if the government has received any information other than what is contained in the morning papers with respect to the reported loss of a plane in which Sir Frederick Banting was said to be a passenger.

Hon. J. L. RALSTON (Minister of National Defence): There is a message on my desk now and I was inquiring into its authenticity just before I had to leave rather hurriedly for the chamber. I shall make further inquiry and let my hon. friend have any definite information I am able to obtain.

Hon. C. D. HOWE (Minister of Munitions and Supply): Just before I came in I had word from the Department of Transport that the plane has been found. It is on a point of a bay on the direct route between Canada and Botwood. There is a message written on the snow which indicates that someone on board the plane is alive at least. A plane has been sent out equipped with skis which will be capable of landing there and it is probable that there will be definite word before the afternoon is over.

[*Later:*]

REPORT OF AEROPLANE ACCIDENT WITH LOSS OF ALL ON BOARD EXCEPT PILOT

Hon. J. L. RALSTON (Minister of National Defence): Mr. Speaker, I should like to give to the house the latest information that has come to hand with reference to the aircraft disaster in Newfoundland. I am afraid it brings extremely bad news to Canada. The message is from Wing Commander Gordon, Newfoundland airport, to headquarters, Eastern Air Command, Halifax:

> The pilot Mackey is alive; the others are dead. Two trappers are at the aircraft. Aircraft dropped more emergency rations to party. Moth skiplane en route from St. Johns, Newfoundland, to Newfoundland air port.

I believe that is a Newfoundland government plane. The memorandum I have goes on to say:

> The Moth skiplane will proceed to the scene of the crash as soon as possible. Two skiplanes from Ottawa Air Station are also proceeding to Newfoundland to bring out the pilot and deceased.

For the Department of National Defence I wish to express the deepest regret at the passing of Sir Frederick Banting, who was himself an officer of the department. He has been rendering invaluable professional services to Canada, and he has also been serving the country by devoting his outstanding abilities to research—not merely abstract research but research applied practically to the problems which face us in this time of war. In fact, the trip he was making had been necessitated thereby. I know that all the officers, non-commissioned officers and men of the defence forces will join with me in this expression of deep regret, and in the most heartfelt sympathy to Lady Banting and family and, as well, to the relatives and friends of the others who perished—Navigator William Bird of Kidderminster, Worcester, England, and William Snailham, of Bedford, Nova Scotia.

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, with your permission and that of the house, I should like to supplement the words of the Minister of National Defence. On behalf both of the government and of hon. members of this house, may I say what a shock it has been to us all to receive the sad intelligence which has just been imparted to the house. May I also express our deep sympathy with the relatives of those brave and gallant men whose lives have been so unhappily sacrificed in the disaster of which we have just heard.

Perhaps I may be allowed to add a special word touching the loss which our country has sustained in the passing of Sir Frederick Banting. It was not so long ago that this parliament, in recognition of the distinguished services which he had rendered to science, voted to him an annuity that he might the better devote his life to scientific research.

In his passing our country has lost one of her most distinguished sons, who was proceeding to Britain on a mission of high national and scientific importance.

Doctor Banting was honoured by the universities and learned societies of the world. He was the winner of the Nobel prize, which he generously shared with his associates. His medical discoveries have brought honour to his native land. The name of Sir Frederick Banting will live in the history of medicine as a great benefactor of mankind, who by his discovery of insulin brought new hope to the suffering and the promise of life to many who were doomed to early death before his researches were crowned with success. Great will be the grief that his own life, so full of promise for human welfare, should have come to such an untimely end.

Sir Frederick offered his services to his country as soon as war broke out. He organized a particularly important branch of medical

research. With a band of devoted fellow workers he had dedicated himself to the solution of the new medical problems associated with aviation, and the speed, height and low temperatures involved in the operation of modern aircraft. Already his work had proved of inestimable value. The world of medicine will deplore his loss as his fellow citizens join with men of many nations to mourn his passing and record their gratitude for the rich achievement of his devoted labours.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, I desire to associate myself with the eloquent words of the Prime Minister (Mr. Mackenzie King) and only regret my inability to express my sentiments and feelings with the same facility and felicity. I had not the pleasure of Doctor Banting's acquaintance, but I am glad to have been a member of this house when a few years ago parliament voted him the annuity to which the Prime Minister has referred, in order that he might be quite free of monetary considerations in the researches he was conducting. I am delighted to think that at a later date his sovereign recognized his worth and honoured him as a Canadian. I am sure we all join in expressing to Lady Banting and his other loved ones our most sincere sympathy.

Hon. H. A. BRUCE (Parkdale): Mr. Speaker, as a colleague of Sir Frederick Banting in the medical faculty of the university of Toronto, and as a member of the board of governors of the university, I am deeply shocked at the news which has been just imparted to us. I wish to add my voice to the words of the Prime Minister (Mr. Mackenzie King) in expressing the deep regret and profound sorrow that all Canadians will experience when they learn of the tragic death of Sir Frederick Banting who has brought such distinction to Canada. He and Louis Pasteur will be remembered forever for their great contributions to medical science. Generations yet unborn will feel gratitude that such a man as Sir Frederick Banting lived to enrich the world with one of the greatest discoveries ever made in medical science, for the relief of human suffering.

Mr. J. H. BLACKMORE (Lethbridge): On behalf of my group, Mr. Speaker, I wish to associate myself with what has been said already. I think the sentiments of all of us have been most appropriately expressed.

Mr. ANGUS MacINNIS (Vancouver East): On behalf of this group, Mr. Speaker, I desire to associate myself with the sentiments which have been expressed in this hour of very great sorrow for us all.

CANADIAN YOUTH CONGRESS

RAID BY MOUNTED POLICE ON HOME OF MONTREAL SECRETARY

Mrs. DORISE W. NIELSEN (North Battleford): I should like to direct a question to the Minister of Justice (Mr. Lapointe). I am informed by the secretary of the national young people's union of the United Church of Canada that members of the Royal Canadian Mounted Police raided the home of Mr. Jack Brierley, Montreal secretary of the Canadian youth congress, on February 13, last. Since the Minister of Justice has already declared this organization to be perfectly legal, what was the reason for such a raid, and upon whose authority was the raid made?

Right Hon. ERNEST LAPOINTE (Minister of Justice): If my hon. friend will kindly wait until to-morrow I shall have the necessary investigation made and give an answer.

PRAIRIE FARM ASSISTANCE

INQUIRY AS TO PROPOSED AMENDMENTS TO ACT—TABLING OF AMENDED REGULATIONS

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): I should like to ask the Minister of Agriculture (Mr. Gardiner) whether it is proposed to bring down this session any amendments to the Prairie Farm Assistance Act, and if so when we may expect them.

I should also like to inquire whether in the administration of the act in Saskatchewan this year action was taken under any special rules or regulations made after the act was passed, and if so would the minister be good enough to table them at the next sitting of the house.

Hon. J. G. GARDINER (Minister of Agriculture): Answering the first question, in the list of proposed legislation for this session it is suggested that there may be amendments to the Prairie Farm Assistance Act, but we are not certain that they will be brought down this session. As to the second question, I think there were a number of amendments made to the regulations, and if so I shall be glad to table them.

WAR SAVINGS CERTIFICATES

STATEMENT AS TO PROGRESS OF SPECIAL FEBRUARY CAMPAIGN

On the orders of the day:

Hon. J. L. ILSLEY (Minister of Finance): Mr. Speaker, I should like to make a brief statement to the house on the progress of the war savings certificates campaign.

During February we have, as hon. members know, been conducting a special campaign to increase the sale of these certificates to at least $10,000,000 a month and to ensure that at least 2,000,000 Canadians will pledge themselves to become regular war savers for the duration of the war. I now feel it safe for me to say that we expect not only to reach but to exceed that objective, possibly by a substantial amount.

During the first twenty-two days of the month applications amounting to $7,115,556 have been received. This total reflects only to a slight extent applications that result from payroll savings and bank pledges. As the house will realize, it is on these two phases of the programme that we have been placing primary reliance, and, while we shall not have the complete figures until after the end of the month, the reports already received from the thousands of voluntary committees and workers throughout the country indicate that the response to our campaign will be far greater than we expected.

The enthusiastic response of employers and employees to the payroll savings plan as a means of regular war saving is indicated by the fact that honour roll certificates have already been issued to 915 companies and other firms. These honour roll certificates are issued to any firm whose employees are participating in the plan to the extent of at least seventy-five per cent, and our national war savings committee advise me that they have yet to hear from the first firm to report that it has not yet been able to or is not likely to be able to secure at least a seventy-five per cent participation. Hon. members will already have noted from the press that quite a substantial number of firms are actually reporting one hundred per cent participation.

Before taking my seat I wish to pay tribute to the many thousands of volunteer workers throughout the country who by weeks of hard work and effective organization have made these results possible, and to express to them my confidence that in this concluding week of the present intensive phase of the war savings campaign they will be able to report the rolling-in of applications in a volume that will more than justify all the thought and energy which they have put into the campaign.

Mr. LOCKHART: Would it be possible to amplify that wonderful result achieved by voluntary workers by having the census made by voluntary workers, thereby saving the country a lot of money?

Mr. MacNICOL: No applause from the other side.

SUPPLY

THE WAR—PRESENT POSITION—CONTINUATION OF DEBATE ON MOTION OF THE MINISTER OF FINANCE

The house resumed from Monday, February 17, consideration of the motion of Mr. Ilsley for committee of supply.

Hon. R. B. HANSON (Leader of the Opposition): Mr. Speaker, on Monday last when the Minister of Finance (Mr. Ilsley) moved that the house go into committee of supply, the Prime Minister (Mr. Mackenzie King) took occasion to deliver to the house a very carefully prepared speech dealing with a variety of important matters, including a review of the war situation since December 2 last, when he gave his last statement on the European situation.

The speech, in part at least, was designed to afford a suitable background, as he put it, against which to consider external affairs and also the 1941-42 war appropriation bill, the resolution preceding which was introduced by the Minister of Finance on Tuesday last and debated on subsequent days of last week.

In the course of his remarks the Prime Minister stated that "it is not possible to divorce war enactments and the foreign policy on which they are necessarily based". That, of course, is a truism and would be wholly applicable if our war enactments were in fact and in truth based on a sound, well-thought-out master war plan. But, in view of the fact, as I stated on Wednesday last, that Canada has never had and has not now a sound and well-thought-out master plan for our war effort, the truth of this statement is therefore in this instance at least open to question.

However that may be, I do not for the moment desire to pursue that line of thought, and having listened attentively to and having since read with some care the Prime Minister's statement I am in agreement with much that he said in the early part of his remarks with respect to the operations in the various theatres of war—in Europe, Africa, and the far east—and may I pause here to say, with regard to the gravity of the situation upon which the Prime Minister laid great stress during the course of his remarks.

The African campaign has thrilled us all. We have been delighted to read and hear of the spectacular victories which have been achieved by the British and Australian forces over the enemy in Egypt and adjacent territory. We have been especially proud of the part played by the armed forces from the sister dominion of Australia. The infantry from that dominion and their gallant airmen

nave been the very spearhead of General Wavell's command. They have covered themselves with glory; their achievements have been, very properly, the subject of world acclaim, and nowhere, I hope, has that acclaim been given more wholeheartedly than here in Canada.

Loyal Canadians will not envy Australia the palms of glory that have come to her armed forces as a result of their courage and daring. To me personally there is an element of regret that no Canadians participated in this campaign. I have no criticism to offer at this moment that our gallant men of the first and second divisions were not represented in these achievements. There may be good and sufficient reasons why this country was not represented. The Prime Minister did not enlighten us. Perhaps at a later stage he will be good enough to tell us whether an expeditionary force of Canadians to Egypt was considered, and if not, just what the position is. I have no doubt that the personnel of the Canadian divisions in England would have welcomed an opportunity to participate.

With respect to the change which has taken place in recent months in the attitude of the United States towards the war to which the Prime Minister alluded, there is no doubt that the change has been marked and has gained great momentum, due, I think, almost wholly to the magnificient leadership given by the president of that great country.

Just a little over a year ago, and for some time after the declaration of war, I spent a considerable period of time in the United States. I had some opportunity of analysing public opinion as expressed in the press and elsewhere, and I confess to this house that at that time I was startled by the apparent strength of the so-called isolationist movement. There was the cry that the United States would never again participate in a European struggle, that the situation in Europe was no concern of theirs—in fact, there was a demand, which at that time I rather overestimated, that there should be no aid to Britain and the democracies except on a purely commercial basis. I read that outrageous book, England Expects Every American To Do His Duty, with a great deal of disgust.

There was, in some influential circles, a feeling of frustration, and in others almost a certainty that Britain and her ally could not whip Hitler. This feeling was greatly intensified by the fall of France and the happenings at Dunkirk. At that time there was a great preponderance of public opinion in the United States that Britain could not carry the whole load and that she was bound to succumb.

[Mr. R. B. Hanson.]

This feeling, however, produced in the minds of the great mass of thoughtful, liberty-loving people of that nation a tremendous reaction and revival of sympathy for the principles of liberty and democracy and for the only remaining active defender of liberty and democracy. The principles established by congress before the war opened, based on detachment and non-participation except on a purely commercial basis, were vigorously attacked by those thoughtful elements who realized to the full just what the fall of Britain would mean to them and to their country. Under the skilful and intelligent leadership of their president, the great mass of the people of the United States came to a realization that for the preservation of themselves and of all those things for which the republic was founded, they must make this their war if not their fight.

The tragedy and the unanswerable logic of the trend of events in May and June last brought the situation home to our great neighbour as, perhaps, nothing else could. They realize now that their own security, the preservation of what is termed "the American way of life," the democratic way of life, and its survival, are of supreme importance to them; and they know, too, that all these things may be preserved only by keeping the battle over there and by victory for Britain in the immediate theatre of war.

This is the theory which I have continuously urged upon the Canadian people as being the matter of most paramount importance in our war effort—that the defence of Britain and her ultimate victory and triumph in the theatre of war is our first and primary objective; that the defence of Canada is of secondary importance, but only secondary; and therefore we on this side of the chamber have advocated without cessation the doctrine that our first and foremost duty is to support and sustain Britain overseas, and to see to our own defence next. This doctrine in a degree has been accepted by the government of the United States. They subscribe to the principle and doctrine that the British navy and the Royal Air Force are their first line of defence, as they are ours, and to that end, effective aid to Britain, compatible with their duty to provide for their own defence, is of vital importance. Their resources, material and other, are vastly greater than those of any other nation in the world. Their stake in the outcome is as large and as vital as that of Britain; and a realization of that, and of the measures which they have adopted and are adopting, gives us the greatest hope for the future.

I have never allowed myself to think that Britain would not win this war. I do not

say that Britain could not win through without aid from the United States, backed, as she is, by all the resources and the man power of the sister dominions, if placed at her disposal; but the burden is so great, the theatre of war has been so greatly extended, that to me it is extremely doubtful whether, left without outside aid, the issue can be decided in favour of the democracies. It might well end in a stalemate. The material assistance which the United States has already given, can give, and I am sure will give with increasing momentum in the ensuing months, will without question be of decisive importance, and may well turn the scale.

We should, I think, frankly recognize this fact and not in any degree attempt to deny it. We all listened with emotion to the last broadcast of the British Prime Minister, in which he appealed to the people of the United States to give Britain the weapons, the materials and supplies, the instruments—and the job would be done. How heartened we all were at the words of Lord Beaverbrook yesterday in which, among other things, he said that nazi war planes had lost their terror; that, when Churchill came to power, the people of Britain feared them; now they defy them. I was especially impressed with that part of his plea in which he urged the people of this dominion to send food and weapons, and exhorted them "to seek the world over for ships." We are sending food, for a price. Have we ever given any food to Britain? How many weapons have we actually sent to Britain other than those for our own forces? We are not told. When a cry like Beaverbrook's comes to our ears, are we not uncomfortable at the thought that we do not know what has been done, that our government soothes us with promises and generalities, but is never factual? Is it possible that we have done nothing? I do not think so. I should like to know.

Then the cry for ships and shipping! We are to build ships for the account of the British government, but how many keels have actually been laid? Let the Minister of Munitions and Supply (Mr. Howe) tell us what progress has been made.

While I am paying a tribute to the might and importance of the United States in this gigantic struggle as it will affect the issue, may I be permitted to draw the attention of the house and of the country to the fact that the Prime Minister, in the course of his address did not tell the house or the country anything at all with respect to the war relations of Canada and the United States in connection with the recommendations, and operations resulting therefrom, arising out of the appointment of the joint defence board. On no occasion has he done so. To me this omission is amazing. It is well known that the board has had many meetings. It has travelled over this continent from east to west, and back again. Undoubtedly it has made recommendations. What is the nature of these recommendations? Are the Canadian people to be told? Apparently not. If we are not to be told what these recommendations are, then at least we should be told why we are not to be told. I invite the Prime Minister to tell us all that can be safely stated. If there are deep military secrets which may not be divulged because of their nature and because public knowledge would endanger the safety of the state, and give information to the enemy or possible enemies, then I would not press for details. But, generally speaking, we should know. It is not good enough merely to say we are working in close harmony with the defence department of the United States.

It will be recalled that during the course of the debate on the address on December 3 last I asked the Prime Minister across the floor of this chamber if there were any commitments; and, intervening in my address, he declared vehemently and emphatically that there were none. I confess I am puzzled about the situation. There are no commitments, we are told. Are there understandings? There is no evidence of joint undertakings except, as I understand it, that the great airport at Gander, Newfoundland, which Canada is building and at great cost; the work on which is said to have bogged down in an amazing degree, and which will cost much more than double the estimate, is to be used—and quite properly—by the United States air force. Is there any deep military reason why we should not know something of this?

Frankly I cannot understand the statement that there are no commitments. I invite the Prime Minister to tell us all that is permissible and within reasonable limitations; and I suggest that that is a reasonable request.

The Prime Minister devoted some time to repeating the substance of a recent radio address in connection with the war savings drive, to a review of the development of the army, navy and air force, and the dispatch overseas in 1941 of more units.

May I pause here to congratulate the Minister of Finance upon the statement which he made this afternoon before the orders of the day were called? The effort resulting from the war savings certificates drive shows what a united nation can do, and what Canada is doing to-day. Notwithstanding the fact that things are as they are in my province, I know that the people got behind this war

savings drive, although many of them are very much opposed to doing so because of the manner in which, they think, the war is being carried on. Notwithstanding that, the people of Canada are patriotic and will sink their differences and get behind this government in a drive of that kind.

I do not think that at this time I should go into the question of the developments of the army and navy and air force. There will be a further opportunity to do so, and the subject will bear further scrutiny and examination. We shall hear a good deal this session about Canada's production of war equipment and supplies. We are always being told what is going to be done, but we have never had a full statement of what has been accomplished; and if the government persists in its present policy, we shall never know what has been the measure of that production. The reason is always given that the British government does not want production in terms of units known. We are told in terms of dollars and cents, but nothing more. That does not seem to be the policy in Australia, where the people are kept informed as to production by their government. The reasons which impel the British government to indicate that figures of production should not be given would appear to be applicable to Australia. And I venture to say that, compared with our wealth, national resources, man power and population, Australia has done much more relatively than we have.

The reason is quite clear. The sister dominion was never limited to a policy of moderate participation; they have been committed to a policy of all-out effort ever since they went into the war. It seems to me that it would be quite appropriate for us here in Canada to pay a formal tribute to Australia for its recent and notable military achievements. As the Prime Minister has not done so, I deem it a great privilege, as leader of the opposition, to have this opportunity.

Australia has done a great job in the middle east. As I stated a few moments ago, it has been the spear-head of General Wavell's attack. It has demonstrated the new science of assault warfare. It has helped to prove the potency of the offensive spirit of the empire. It has set an example to the world in gallantry and effectiveness.

Australia is also now at Singapore and in the Malay peninsula. We can confidently expect that the Australians will give the same high account of themselves in these new theatres of war as they have in Egypt and in Libya, should the need arise.

Australia, from the outset of the war,—indeed, long before the war started—has operated on the principle of maximum contribution. It has set the highest standard of service and sacrifice, and has lived up to it. The inspiring consequences of this policy are well known, in terms of the mobilization of man power for home and overseas service, air personnel, aeroplanes built in Australia, naval strength, and so forth.

Australia has raised an army corps comprising four divisions for overseas, together with corps troops and adequate reserves. At least two, and possibly three of these divisions are already on active service in the middle east. An additional fully equipped force arrived recently at Singapore. By the 1st of November, 1940, the Royal Australian Air Force had recruited more than 37,000 men, of whom 12,218 had been chosen as aircrew. Squadrons have been sent abroad to England, the middle east and Singapore.

At the end of 1940, the personnel of the Royal Australian Navy exceeded 15,000, including reserves. I have not been able to secure exact figures for the number of men mobilized and trained for home defence. However, the objective repeatedly stated by the Prime Minister is 250,000, and energetic steps are being taken to achieve that objective within the shortest possible time.

In aircraft, Australia is producing an intermediate training machine, the Wirraway, which is similar to the Harvard. These Wirraway machines are now being turned out at the rate of rather more than seven a week; and the first 200 have already been delivered. The Wirraway is powered with a Pratt and Whitney single-row Wasp engine, which is also manufactured in Australia.

The Australian Tiger Moth, an elementary trainer manufactured by the de Havilland Aircraft Company, was, before the end of 1940, being produced at the rate of two Tiger Moths a day. The two-hundredth machine out of a contract of 500 was delivered at Christmas. The Gypsy Major engine with which these planes are equipped is planned, assembled and tested by General Motors-Holden's in Melbourne. The actual parts are made by thirty-six manufacturing firms in Adelaide, Sydney and Melbourne. These engines are now being turned out at the rate of two a day.

The production of Beaufort bombers is under way, and the first complete Beaufort is expected to undergo tests in April next. By the middle of 1941, the Beaufort project will be the largest single industry in Australia and it is estimated that it will ultimately employ about 10,000. The Beaufort project was originally contingent on the supply of Taurus engines from England. As these were

not forthcoming, Beaufort airframes were modified to take a twin-row Wasp engine, manufacture of which was begun in Australia.

According to a press report in the Sydney *Morning Herald*, January 11, 1941, the Australian Minister of Munitions, Senator McBride, stated that Australia's production for war now included:

Guns: 3·7 and 3″ 20 hundredweight anti-aircraft guns in production now.

Gun ammunition: a complete range of components in full production, including shell bodies, fuses, primers, cartridge-cases, cartridge-bags, mortar bombs, hand-grenades, and aircraft bombs, ranging from 8½-pound practice type to 250-pound service pattern.

Explosives: A complete range of service explosives including propellants, high explosives, and pyrotechnic materials, in full mass production. These were being assembled into complete rounds of gun ammunition, produced from Australian raw material, and covering the entire range in use in the army and navy.

Small arms ammunitions: Production mostly of the Red Label class, the highest quality, made especially for use in aircraft machine guns. Armour-piercing, tracer, and incendiary types also produced.

Small arms: Rifles, Lewis gun components, land service and also right and left air-cooled aircraft patterns.

Precision instruments and optical munitions for equipment of artillery, including searchlight equipment.

Armoured fighting vehicles: Machine-gun carriers, which have superseded armoured cars.

Wireless sets: All patterns, mainly of Australian design for all services.

Miscellaneous items: Assault boats, pontoons, and other bridging equipment, and a range of engineers' stores running into several hundred separate items.

All this means a magnificent effort; and we must always remember that Australia has only two-thirds the population of Canada, and about one-half our natural wealth.

I know I speak for the whole of the people of Canada when I pay my profound tribute of praise to this great dominion. I heartily congratulate its gallant people, but I can assure them that, although Canada may have been slow in starting, we will be in strong at the finish.

If Australia can be frank about their contribution, as they have been, there is no reason why Canada should not be; and if they make public their figures, I am not prepared at this time to accept the conventional answer of the Prime Minister that disclosure of Canada's contribution in terms of units will give comfort to the enemy. That can be only if Canada's contribution is as small as some people in this country are now beginning to suspect. Moreover, if our contribution had been what it should have been, there would certainly then have been no room for rejoicing in Germany. But however unpalatable the truth of our unpreparedness may be, let us have the truth. If Australia has made a good beginning and we a bad one, let us say to Australia: "To-day we are lagging behind you, but to-morrow we will be racing you to the post. We are now on our way."

The Prime Minister took great pains to prove that his place, as Prime Minister of Canada, was in Canada and not in England at any time. Our friend, the Hon. W. D. Herridge, and others, must have been greatly gratified to have so much attention paid to his suggestions that the Prime Minister should go to England and see at first-hand for himself the whole position and the necessities of the situation.

The Prime Minister's remarks constituted at least an indirect rebuke to Mr. Menzies, the Australian Prime Minister, who is now in London, and who stated in a broadcast on his arrival there that he had gone to England to secure information and first-hand knowledge and to endeavour to coordinate the war effort of Australia and Great Britain, which it had not been possible to do without direct communication.

Mr. MACKENZIE KING: I am sure my hon. friend does not wish to misrepresent me or what I said. My references were entirely to the establishment of a war council in England at the present time, not to a visit to England at any time. My hon. friend says "at any time." I made no such statement. I said there were times when it would be appropriate to go, but I did not think this was the time to establish an imperial war council.

Mr. HANSON (York-Sunbury): Possibly I was wrong, but I will come to that again a little later; I intend to deal with it quite fully.

If the methods of communication described by the Prime Minister between the British government and the Canadian government are so satisfactory, and if the high commissioner in London is acting with such great capacity, why has it been necessary for five ministers of this government to go overseas between November of 1939 and this date? That is the query I put to the Prime Minister.

Early in the war the Minister of Mines and Resources (Mr. Crerar) went overseas, presumably to sell our wheat surplus. We have never been told the result of his operations. If they had been successful I am sure we should have heard of them.

Next to go was the late Minister of National Defence, who early last session made his report. He went definitely, I should say, for the purpose of first-hand consultation. The

high commissioner was there; the telephone and the cable were functioning then, as now; but he went—and properly so—for the purpose of ascertaining at first hand, by observation and consultation, what was to be done and what was needed. Indeed I think it was so stated in the press. Otherwise why should he go at all? If the Prime Minister's statement of Monday last is well founded, there was no need of his going; but that was not the theory then, and I submit that it is not a sound theory now.

Then the present Minister of National Defence (Mr. Ralston) went overseas. I am sure every Canadian who has followed anxiously our war effort thought he did the proper thing. I know I did. He must have felt the necessity for going, for he went; and not only did he go himself but he took with him his chief of staff, his principal executive assistant, Colonel Magee, and other high ranking officers. Why? Surely for the purpose of observation and first-hand consultation with the British authorities. Don't tell me that he went merely for the purpose of reviewing the Canadian divisions or for consultation with General McNaughton, important though the latter no doubt was. Undoubtedly he went for the all-important purpose of gaining first-hand information for the future guidance of himself, the cabinet and their advisers. To suggest anything else is to insult our intelligence. In due course I hope he will tell us, with some detail, the results of his mission.

Next to go over was the Minister of Agriculture (Mr. Gardiner). We all know he went, because on many occasions since his return he has told us so. Just why he went, however, is not so absolutely clear. If it was for the purpose of selling our bacon and cheese, I suggest that he could have done quite as well by staying at home.

Finally the Minister of Munitions and Supply (Mr. Howe) went, and quite properly so; for if he did as I hope he did, and consulted with the British authorities respecting the production of materials and equipment, his visit will have served a most useful purpose. So far we have not been privileged to hear with any detail of the observations he made or the plans he brought back, but I invite him to tell us at the first appropriate opportunity; and I know his remarks will be reassuring.

The Minister of National Defence and the Minister of Munitions and Supply are key ministers who can ill afford to be absent from their desks and duties in Ottawa, but they went overseas because in their opinion it was necessary, and the proper and best thing to be done in the circumstances.

I come now to the question of an imperial war cabinet. I have not heard anybody—at least anybody in authority—argue that there should be set up immediately an imperial war cabinet, but the Prime Minister should not close the door to the possibility of going to England, perhaps to participate in an imperial war cabinet or conference. I have an idea, though I am no authority at all, that good results would follow from such a cabinet, as they did during the last war. Anyone who reads the memoirs of Sir Robert Borden I think will understand the reason for the setting up of the war cabinet and the good that came from it. Only yesterday the London *Dispatch* put forward the suggestion that Prime Minister Churchill fly to the United States to confer with President Roosevelt. It is suggested in the United States that if this could be done the results of the proposal would be tremendous. Personally I do not think it is possible for him to do so, but underlying that suggestion is the thought that by personal conference things might be done which cannot be done by other means of communication.

At all events, many people in this country have no confidence that there is complete cooperation between the British government and the Canadian government, that there is coordination of purpose and action, and that we are doing all that the British situation requires. The government refuses to lay on the table the papers which would establish the facts, and we do not know. I suggest that from a visit of the Prime Minister to Britain might come complete unity of purpose and action, and increased effectiveness of our war effort.

The Prime Minister has devoted a great deal of attention to our representation abroad other than in Great Britain. What is the total cost of our foreign representation? I invite the Prime Minister to tell the country. And what is the position with respect to Japan? The previous minister, Hon. Randolph Bruce, retired on December 17, 1938, over two years ago, and no new appointment has been made. During critical developments in the far east there has been no Canadian minister in Tokyo to assist the British ambassador and to keep the Canadian Prime Minister in close touch with those developments. Why do we maintain an expensive legation in Tokyo, for which there is an estimate of $59,000 provided this year, and leave it without a minister for over two years? Is it possible that this seat is being kept warm, as some people have hinted, for the present Minister of Pensions and National Health (Mr. Mackenzie)? I think he would be a pretty good chap; why not ship him over there?

Then with respect to the position in Washington, I regret as much as anyone to learn

of the illness of Mr. Loring Christie; but from the information I have gleaned since the Prime Minister spoke on the seventeenth I have no doubt in the world that there is an immediate necessity for the appointment of an outstanding Canadian citizen as Canadian minister to Washington, and that he should not necessarily be a career diplomat. In fact I think the appointment should be given to a man who is not a career diplomat. It should be given to one who can represent Canada with dignity and authority; one who, on occasion, can speak to the people of the United States as Lord Lothian did and as Lord Halifax will—and as Mr. Christie did not. Recently I have seen the suggestion that Mr. Leighton McCarthy, K.C., of Toronto, is to be appointed to this position. Mr. McCarthy is an outstanding Canadian citizen, and if he is appointed I am sure he will do good work for Canada down there at a time when it is absolutely necessary for us to have the best possible representation.

I suggest further, Mr. Speaker, that there should be associated with the minister an outstanding industrialist—not a mere departmental official such as Mr. Mahoney or Mr. Carswell—who will work in close cooperation with Mr. Purvis and the British mission. I am not casting any aspersions on either of those gentlemen I have named. I know Mr. Mahoney well; I am indebted to him for courtesies on more than one occasion. He knows his way about Washington, but he is a departmental official and has not the status that an oustanding industrialist would have down there representing this government. I recall that during the last war Mr. Lloyd Harris, of Brantford, an outstanding Canadian industrialist and a man who at one time occupied a prominent position in this parliament, was appointed to head a Canadian mission in Washington. It is true that this was before we had a minister, and there was great necessity for such a mission. I suggest that from the standpoint of coordinated effort in production the necessity of such an outstanding industrialist, standing side by side with our Canadian minister to Washington, is just as great to-day as it was then. And as a tribute to our vital interest in the United States and the importance of our represenstation in that country, might it not be wise to raise our minister there to ambassadorial rank? I invite the Prime Minister to give consideration to this suggestion. Rank means something, even in the United States.

The Prime Minister definitely closed the door to the appointment of an overseas minister. In my view, it is unwise to do so. I think I suggested early last session that this might be a good move. The circumstances which led to the appointment of an overseas minister in the last war may well recur. At that time Sir George Perley was there, and he certainly was a trusted confidant of Sir Robert Borden, certainly as trusted as Mr. Massey is by the Prime Minister; but the appointment of an overseas minister became necessary in his time to help and assist him and to coordinate effort; and the circumstances which led to the appointment at that time may well recur, if indeed they have not already done so.

But there is a matter of much greater importance looming up. Is Canada to be represented in the consultations which must precede the planning of the campaign which will develop after the battle of Britain has been fought and won? Is Canada to be represented in the task of planning the offensive in 1942? I know we have in Lieutenant-General McNaughton a soldier of first-class rank and importance and ability. But can he represent Canada in such conferences and speak with authority for the Canadian government? I suggest that no one but a minister of the crown, who is a member of our cabinet and bound to the principles of cabinet responsibility and solidarity can speak for Canada in such matters, acting always on the advice and responsibility of the chief of our overseas army.

Has Mr. Massey, in his present position, the authority to represent Canada in such matters and in such manner? I think the answer is no; that he must merely be an intermediary between the cabinet here and such conferences, and that he will have no authority. Indeed, he would not assume such authority. No one who is not of cabinet rank would presume to do so.

Reverting again to the question of an imperial war cabinet, may I recall to the minds of hon. gentlemen a statement made in the War Memoirs of David Lloyd George, volume IV, at page 1765, in which he says:

> But the value of the cabinet and conference were vastly greater than their immediate utility as an instrument for discussing our common war problems, and with the extent and method of the help which the dominions could supply.

I should like the house to note these words:

> The meetings had an immense importance for the consolidation of the British empire. The imperial cabinet did not end with a discussion of common problems; it directed common action in events of solemn magnitude which were shaking the earth and shaping the destinies of the people in every clime and continent. The fact bred alike a new individual dignity, and a more conscious solidarity. In our discussions there was less concentration, in the minds of the dominion premiers, on the sectional interests of the part of the empire which each represented, and more eagerness to pull

together to secure a maximum achievement in our joint effort. We were partners, not only in a commonwealth, but in a crusade. And the fine spirit thus engendered proved to be of critical value when, after the war, we came to complete that review of the empire's constitution which had received its preliminary survey while we were in such temper.

Nor was the work confined to our discussions round the conference table. The visiting dominion premiers took advantage of their presence here to travel around the country, to meet with the people of the homeland, and deepen by speech and interview our sense of common purpose and imperial unity. Mr. Hughes, of Australia, had done some invaluable work of this order when he was here in 1916. Meantime, his work was continued by Sir Robert Borden of Canada. . . .

I suggest to the house and to the country that this estimate by Mr. Lloyd George of the value of the imperial war cabinet and imperial war conferences appears to be very important, therefore I have read it into the record; and I hope it will provide food for thought for the right hon. gentleman and his government.

The Prime Minister intimated that membership in the Canadian cabinet would be an embarrassment to the Canadian government representative in London, as well as to the government itself; and to establish his point he introduced somewhat novel constitutional principles. But it is a matter of record that Mr. Bonar Law told Sir Robert Borden in the last war that Sir George Perley's status as acting high commissioner, until the formation of the union government, was greatly enhanced by his membership in the cabinet, and that his prestige was greater than it would have been if he were merely high commissioner. Accepting Mr. Bonar Law's advice, Sir Robert Borden retained Sir George Perley as a member of the cabinet until the formation of the union government, at which time Sir George became permanent high commissioner, and Sir Edward Kemp, overseas minister.

With reference to our diplomatic relations with France, I have a few observations to make. The delicate diplomatic situation between ourselves and unoccupied France calls, for, I think, greater clarification than the Prime Minister has given us. Every Canadian, be he of French- or English-speaking origin, desires the rehabilitation of France as a great nation, and is prepared to do whatever is possible to that end. I do not suggest what is the duty of the government in the premises. I do think it is the clear duty of this government to take every necessary action to strengthen the hand of Marshal Petain and his government as at present constituted, but only so long as they fight against the pressure being exerted to secure direct French collaboration against Britain and the empire.

[Mr. R. B. Hanson.]

If we can offer any inducement or assistance to enable them to resist the conqueror's efforts to secure Mediterranean bases and the use of the French fleet, we should do so. But we must safeguard ourselves against any possible advantage being gained by the enemy through our continued maintenance of diplomatic relations with the Vichy government.

I would ask the Prime Minister to state to the house whether the present situation has the full consent and approval of the British government. If it has, then I am content.

With respect to representation in Latin American countries, I suggest to the right hon. gentleman that in war time, and having regard to the huge war appropriation bill which is now before the house and all that it involves, he should give pause before he embarks on a spending campaign for the purpose of establishing diplomatic relations with the south American republics, unless it be that he visualizes the day when we shall join the pan-American union and the north American axis.

The establishment of Canadian legations in the Argentine and Brazil will not be an important contribution to our war effort. It will be no contribution at all, and that is what matters at the moment. I doubt if it will be even an important contribution to our trade efforts with those countries. A trade mission to these countries, or a representative located in the capital of each of them, could and would do a great deal of good for Canada's export trade; but I have never yet learned that Canada's trade was in any way furthered by the appointment of a diplomatic representative. I have urged from the beginning the appointment of some sort of trade mission to these countries, but so far nothing has been done except the minister's visit last winter, which, unfortunately, was more or less abortive because of his illness.

It was upon the theory that Canada's material as well as diplomatic interests would be greatly enhanced with Japan that we set up a legation there. The former occupant of that position impressed upon me personally the desirability of his being knighted so that he would have a higher status and could do more for Canada's trade with Japan. He had his way and was knighted, but I never heard that it was a very effective proposal from the point of view of trade. The Prime Minister suggests that trade commissioners do not have direct access to governments. That is true, but I suggest that that is not the vital and essential point. What is vital and what is essential is the fact that trade commissioners do have access to business men for the sale

of Canadian goods and the exchange of commodities between the countries. That is the important point involved.

I have already on another occasion referred to the tribute paid by the Prime Minister to the memory and work of the late Doctor Skelton, Under Secretary of State for External Affairs. I have paid my own brief though inadequate tribute to his memory, and I shall not repeat now what I said then.

In conclusion, I desire to make a few brief observations with respect to Canada's position in external affairs at the present time and during the post-war period. These observations are based entirely upon the theory that Britain will win the war and will not be destroyed, that Canada will assist her in that effort and will not be invaded.

I suggest to the house and to the country that in the present and future circumstances continued membership in the British commonwealth of nations is a fundamental condition of Canada's freedom, prosperity and security; that without the survival of the British commonwealth, Canada's free national life is doomed to extinction; that the friendship and cooperation of the United States are and will remain a condition of survival for Britain and the commonwealth, and the hope of renewed freedom to France and her northern neighbours. For the permanence of this essential transatlantic friendship, Canada has a special responsibility.

The boundary between Canada and the United States is the line of closest contact between the political system of the British commonwealth and its allies, on the one hand, and the republics of the Americas, on the other. Canada has been destined, by geography and by history, to become more and more the bridge, not only between Britain and the United States but between the old world and the new. To fulfil this, her high destiny, Canada must cherish active association in the British commonwealth and must avoid policies that tend to continental or hemispherical isolation which would weaken or nullify Canada's broader connections.

The Americas cannot stand alone. Neither in economic resources, in man power nor in institutional developments can an isolated America find the means of preserving a free world or freedom for any of the nations of the Americas. No matter how desirable closer cooperation with the United States may be—and I welcome such a spirit—every step toward such closer relations must be matched by constructive movement toward continuing full cooperation in the British commonwealth, and especially with Great Britain.

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, in joining in this debate this afternoon I do so with some timidity because I realize that we are discussing the external affairs of Canada rather than the internal economy of our country and its relation to our war effort. For several days we have been considering the war appropriation resolution, and in all probability we shall continue to discuss it for a considerable number of hours. Consequently the few remarks which I shall make this afternoon will be confined rather to our relations with other countries and to one aspect of our war effort which I do not think has been sufficiently emphasized.

I know it is of great fundamental importance that we should organize our economic strength in order that we may give to the cause in which we are engaged that assistance which we can best give. But there is another phase of the struggle to which I think sufficient attention has not been given, that which I would term the political arm of the struggle. We have been dealing with the military activities, we have been dealing with the economic activities; I suggest that we ought to be giving some attention to the political activities of the allied nations.

What are we fighting for? That question is being asked in our own country, and, particularly, in the United States. Those of us who have been following the debate in the United States congress on the lease-lend bill will have noticed that on more than one occasion a senator or representative has introduced that angle into the discussion. One of the supporters of the measure is Senator Austin. No one can accuse him of being lukewarm to our cause, but I notice that a few days ago he once more raised that question in the discussion of the lease-lend proposals.

It seems to me that we are fighting for the things for which the common people of Great Britain are fighting. In the mighty struggle across the seas the common people of Great Britain are throwing their full weight and support into the war because they believe that out of it will come something better than they or the world have ever known. I am disturbed when I read of prominent people in our own country taking issue with what has been said by men like J. B. Priestley or Right Hon. Ernest Bevin. I read with a great deal of interest the report of a speech made by Senator Meighen, not in the other place but at a public function at Toronto. He is reported to have said:

> Mr. Bevin says that universal socialism, with the rights that are the heritage of the common man, is to come all at once upon us. Privileges are to go at once and forever, and the state is to take charge of the nation's affairs, in all departments.

Of course Mr. Bevin did not say quite that. What Mr. Bevin and the other leaders of Britain's dynamic labour forces have said is that out of this war must come a newer and a better way of life, a newer and a better society in which man will be able to find security and the right to enjoy the fruits of his labour and the fruits of the great scientific age in which we live. I should like to quote the comment of Mr. Meighen. He said:

> Is that what we are battling for? I think not. If this is the direction in which we move; if property, profit, the reward of toil, the fundamental instinct of the human race to gain, to acquire, to have, to reach somewhere is taken away, then I, for one, do not feel that we have anything worth fighting for.

I venture to say that if a man connected with one of our trade unions or farmer organizations, pointing to the condition of unemployment and the poverty of the agricultural producer who has produced too much, had dared to say something of this sort on a public platform in Toronto, the attorney general of Ontario would have laid a charge against him for his utterances as being subversive of our war effort. And I say that a statement of this kind is subversive of our war effort because while perhaps Senator Meighen overemphasized one phase of what Mr. Bevin said, nevertheless it is true that the common people of Canada and of other lands are not fighting this war so that a few men may gain, a few profit and a few acquire, but rather that the fruits of human labour and of the age in which we live may be more properly distributed than we have known them to be in days past. Other leaders of the British labour forces have said much the same thing. For example, Mr. Arthur Greenwood, who you will recollect at the eleventh hour, nay the twelfth hour after Munich, rose in the House of Commons when the fate of Poland was in the balance and even those in opposition to him called to him to speak for England. Said Mr. Greenwood:

> It is urgent, in this great struggle, that the whole of our material resources should be mobilized behind the national cause. The only way to do this is the socialist way, not perhaps in every detail as we have thought it out in days of peace, but in principle and spirit. War may alter the method, but it cannot alter the socialist purpose, which is to bend all our national resources to public ends.

It is true, of course, as I said the other afternoon that the word "socialist" to-day has a good many meanings and its meaning all depends on who uses it. While the fundamental principles are there, there are those who tried to prostitute the meaning of the word because socialism was popular in some countries and unpopular in others, and they used it in different ways in different countries according to whether it was popular or unpopular there.

But we of this little group in the House of Commons are supporting this struggle because we want to fight for the things for which the British people fight. We are not supporting the struggle in order that the system which allowed men to acquire and to gain control of vast amounts of profit should be perpetuated.

When we met in our annual convention last October we received a greeting as we usually do from the Labour party of Great Britain, for throughout our entire existence they have recognized that our philosophy and theirs meet not only at many points but at all points, and I should like to place on the record our reply to their greeting so that there may be no misunderstanding as to what our position is in relation to the present struggle. We sent this telegram, which was approved by our entire convention:

> Cooperative Commonwealth Federation in national convention appreciates greetings from Labour party. Convention has authorised national executive to express gratification for the magnificent contribution labour is making towards the preservation of human liberty, and the leadership it is giving in interpreting democracy in terms of social betterment. Our convention assures the Labour party of our wholehearted support in carrying on the war and in its efforts to build a new and better social order.

Mr. REID: If the hon. member would permit a question, he said that the British Labour party or the British Socialist party met the views of his own party at all points. Might I ask if the British Labour party agree that production should be for use and not for profit?

Mr. COLDWELL: Certainly.

Mr. REID: The British Labour party?

Mr. COLDWELL: Certainly, it has exactly the same philosophy that we have in that regard, namely that production should be for use and not for profit; that is to say, that the motive of production should be the motive of consumption or of use, and not the motive merely of making a profit for the people who happen to own the resources and the machinery of production. That is the philosophy which stands behind all movements like our own throughout the world, and incidentally may I tell my hon. friend from New Westminster (Mr. Reid) that a convention of the clergy assembled recently at Malvern, England, under the chairmanship of the Archbishop of York said in their main resolution that out of this war must come a cooperative commonwealth in which the motive for production must not be profit but consumption. It is the same idea. Of course that does not

mean, as some people seem to infer, that the retailer who handles a pound of tea should not sell it for 35 cents when he paid only 25 cents for it. Nothing of the kind, because in that extra ten cents are various items—his rent, payment for his labour, overhead. That is not profit. It is merely a reward for the services which he is rendering to society, which is an entirely different thing. The definition which I have just given is the one which is accepted by all economic writers who know exactly what they are talking about.

I said a few moments ago that I wanted to say something about the political aims of this war. First of all let us turn for a moment to see how the German nazis have appealed to some people in the countries which they have overrun and how they have been able to dominate the thinking in those countries. True, they have in mind a Europe organized completely as one great economic whole, and dominated completely from Berlin. But they go further than that. They want a world organized and dominated from Germany; there is no question about that. The economic proposals of Germany are for a single monetary system in Europe, a single economy for Europe, and such as it is, if it may be dignified by the name, a single culture for Europe—all of course controlled from Berlin by the people who to-day control Germany and to a large extent Europe. This, it seems to me, is an even wider aim than Napoleon ever had. Napoleon had as an ideal the removal of the national boundaries in Europe, or at least the binding together of Europe under the leadership of France. Hitler, however, would not bind all Europe together under the leadership of Germany, but, rather, would bind it together under the domination of Germany for exploitation by the German political party of which he happens to be the head.

Throughout Europe and throughout the world there are people who profoundly disagree with such an aim. They are to be found, as I have said, in every country; and surely we should take every opportunity of appealing to these people. Let us remember that this is not a war between Britain and Germany; it is a war between the way of life which we visualize and the way of life which the nazis visualize; and unquestionably millions of people now under German domination sympathize with our point of view rather than with that of those who dominate them at the present time. To my mind it is a profound mistake to talk about exterminating or destroying the German people. There are many Germans in concentration camps, or underground, or in exile across the world, who have a more bitter hatred—and with reason—of Hitler than any one of us can possibly have. We should be appealing to those people.

Nor should we forget this, as I heard J. B. Priestley say over the radio a week ago last night, that there are among us those who are as much enemies to the things for which we fight as are the German nazis. There are among us those who speak our language, share our blood, are of our people and our race, whose ideas have more in common with those of Hitler than with those of the democratic leaders in this great struggle.

Let me repeat: The people who once formed the forward-looking movements of Europe—the great social-democratic movements of Norway, Denmark, Holland, France, Germany itself—are not all dead. We have allies in every conquered country, and I believe that the victory of our cause will depend upon the extent to which, when the time comes, these people are able to and will assist us in the struggle. We must, therefore, appeal to our potential allies everywhere. Sometimes our cause is badly served by people who are high up in our own state. Recently there was published a little pamphlet called The Black Record, by a high diplomatic officer of the British government, Sir Robert Vansittart. In that pamphlet he does nothing but condemn all the people who have lived in Germany for a long period of time. To my mind we shall have to seek potential allies among some of the very people who are now under the heel of Hitler.

The road which lies ahead of this country and of the other nations participating in this war is undoubtedly long and terrible. I sometimes think that our cause is not well served in another particular, that often we give too much credit to Hitler and those round him for their ingenuity, their ability to think up new ways of waging war and of frightening their opponents. After all, if a nation is frightened it is already partly conquered. One of the reasons why I believe that the British people will eventually win the great struggle which lies ahead of them is that they have refused to be frightened. They have heard, and some of us have heard, the broadcasts of Lord Haw-Haw and other propagandists of Germany telling them of the terrors that lie ahead. But, although quite properly they are alarmed, they have refused to become frightened. In my opinion we should try to give our own people the idea that we, too, can prepare some surprises; that we, too, can garner together a great strength, and that we, too, can go forward to ultimate victory. That is one of the reasons why I should like to see at this session of parliament a full and frank discussion of our country's war effort, so that we may know exactly where our weaknesses and our strength lie. May I tell the Prime Minister (Mr. Mackenzie King) that,

having crossed this country twice in the last several months and met a large number of people, I know there is a great deal of criticism, much of it in all probability not well founded, but it is there because this parliament has not thoroughly gone into every detail of our war effort, as perhaps we ought to have done.

The leader of the opposition (Mr. Hanson) contrasts our own war effort with that of Australia. We of this little group have always held the view that Canada's best contribution can be made, not in raising large bodies of men and sending them overseas, but in organizing our industrial strength so that, without profit to any individual, we can provide Great Britain with quantities of equipment, when air raids have devastated industries and made it difficult for her to provide for herself; and that, it seems to me, is still the best effort, by a long way, that we can make. Moreover, I would go so far as to say that, if we adopt that policy, much of this production should be a gift from Canada rather than an account which some day we shall collect.

May I also say in this regard that it would be well if the government paid some heed to criticisms which are being made, in another particular, of the lend-lease bill in the United States. I have heard United States commentators say that Great Britain is asking of the United States something which Canada is not giving; that she is asking their country to lease-lend equipment, but that she is paying for all the equipment she receives from Canada. Obviously that is not true, but I have heard nothing that offsets that argument, and I have heard it repeated on a number of occasions over various United States networks as I have listened to the Washington news at night. They are networks to which our people in Canada listen, as I often do when I am at home myself. It conveys an utterly wrong picture of what this country is doing, because we are maintaining at our own expense a comparatively large force across the seas in Britain and Iceland as well as in the outlying parts of this continent; and at the moment we are supplying that force with large quantities of equipment.

The leader of the opposition made a comparison with Australia.

Mr. HANSON (York-Sunbury): Not a comparison; I simply said what Australia was doing.

Mr. COLDWELL: The leader of the opposition praised Australia. I, too, would join in that praise of our sister dominion. She has done a remarkable job. But I wonder how many in this house know that the smaller dominion of New Zealand, with a population of less than 1,000,000, has done relatively more than Australia, has done relatively more than any of our British dominions. Is this not significant; for that country has had in power for the last six years a labour government, a government which at Geneva, on every occasion during those years, protested against the desertion of the principles of collective security by the great powers and urged that the security of New Zealand, as of every other nation, depended upon such collective effort.

We have witnessed in the last two years, ever since we guaranteed the Polish boundaries on March 31, 1939, an attempt to rebuild some system of collective security which we had failed to preserve when we had an opportunity to preserve it in bygone years.

One other observation I would make, and I would draw this particularly to the attention of the Minister of Agriculture (Mr. Gardiner). Most of the members of the present New Zealand government opposed the last war. A number of them spent a good deal of the war-time period in the gaols of New Zealand because they were conscientious objectors opposed to the war of that day; and there are many people in Canada and across the seas who, having watched the attitudes of the governments of the world before this war came upon us, feared that those governments were much more interested in preventing the rise of progressive movements in Europe than in preserving democracy in that hemisphere. But now, when the battle is joined and the leadership towards a greater measure of democracy is apparent in the nation which heads this great effort, these fears have to a large extent been removed, although not entirely, from the minds of most of our people.

I said that a great struggle was ahead of us. Those of us, and I am one, who have near relatives in the very heart of this great struggle, hear from time to time their reactions to what is going on. At the present time I have right in the city of London a sister whose home has been partly destroyed by bombs. But the thing that heartens and cheers me is that, in spite of all that they are going through, there is no weakening of the morale of the people. They are determined that there shall be but one end to this great struggle, and that one end is the destruction of all that threatens us to-day.

I believe that at last we are preparing for the task which lies immediately ahead of us. These preparations must be speeded up, and in all the criticisms that we have made and shall make of the government in this regard, that will be the thought in our minds; for, after all, in a democratic chamber it would be

a great misfortune if we were all of one mind, if we were all of a single government group. A virile opposition is a valuable spur to any government, and I only wish that the opposition in this chamber at the present time came closer to the number to be found on the government side of the house. I believe that would be of great advantage to the government and to the country at this particular time.

Mr. DOUGLAS (Weyburn): Time will cure that.

Mr. COLDWELL: Perhaps it will, but I am thinking of the situation at the moment.

Mr. LAPOINTE (Quebec East): That is where the strengthening is needed.

Mr. COLDWELL: This is a war of machines; therefore the contribution that we can make in the industrial field is, I believe, the best contribution that we can offer at the present time, and it ought to be our principal effort. But if that principal effort is to be carried through, as it ought to be, then we must remember that those engaged in making these machines, those engaged in industrial labour, are as vital to our war effort as the men who are at present training in uniform. We shall make a grave mistake if we do not take labour into our confidence at every phase of the war effort.

I listened, as some others here this afternoon did, to Sir Walter Citrine when he addressed the Canadian club in the Chateau Laurier some time in January. He made it abundantly clear that the reason why British labour had foregone some of their old rights and privileges was that they had absolute confidence in their leaders and were organized to the fullest extent. They were thus able to discuss their affairs with the government and with employers' organizations on an equal footing, and consequently industrial difficulties that arose had been ironed out.

One of our misfortunes is that in our country to-day labour is only partly organized. I have heard it said that it is not more than twenty per cent organized. It may be more than that, but in any event it is not fully organized. Yet we find that there are economic Bourbons in Canada who are trying to prevent the organization of labour. If they only knew where their own best interests lie, they would encourage the organization of their employees in order that there might be an instrument with which to iron out industrial difficulties. If industrial troubles arise in Canada in the future, they will arise not from the fully organized labour groups, but from the sporadically organized groups without the experience of the great labour organizations which could give them the sort of advice they ought to have. If our war effort is to be successful, we should see to it that we do not allow discontent and dissatisfaction to permeate the ranks of any part of labour in this country.

One other factor I should like to mention in connection with our war effort is the condition of agriculture. After all, we have in Canada several million people who are engaged in various agricultural pursuits. To-day their principal product is not needed, because war has cut us off from the markets of the world. A short time ago I again saw huge piles of wheat lying out under the snow in the part of the west which I represent in this house. I know of one man who has a pile of wheat sixteen feet deep, containing over sixteen thousand bushels. There it lies, covered with sheaves, out under the snow. I am not saying that this is the fault of the government; I am pointing out that men in that situation have piles of wheat but have not the necessary money with which to buy those commodities that are essential to the welfare of themselves and their families.

I would urge the Minister of Trade and Commerce (Mr. MacKinnon) and the Minister of Agriculture (Mr. Gardiner) to let these men on the prairies know now what is expected of them during the coming summer. Here it is February 24; in less than eight weeks in the constituency which I represent men will be seeding their land. It is not too early now to give them an indication of what is to be expected of them. If we are going to have a quota system, then let our people know what their quotas will be in order that they may make their plans accordingly; for, as I have said in this house before and as I repeat to-day, those quantities of food piled high, which appear to be a liability and a drug upon the market, ere the war ends may become an incentive to the distressed and starving peoples of Europe to rise against their masters in order that they may receive a portion of the bounty which nature has showered upon us. Therefore, in our war effort we should not overlook agriculture but should see to it that agriculture receives proper consideration at this time.

I have one other point I want to place before the house. We must begin at once to prepare for the conditions that are going to come upon this country after the war. When I think of what may happen when the war ends, it seems almost like a nightmare. We say we are going to place an additional three hundred thousand men, and perhaps some women, in industry in the next

year or so; the Minister of Finance (Mr. Ilsley) told us that the other day. The Minister of Labour (Mr. McLarty) has told us of plans for training thousands of men for the new industries that are now coming into operation; plans which, if I may say so, seem somewhat inadequate. Should the war end with a victory within six months, what are we going to do with these hundreds of thousands of men who will be demobilized from industry, particularly if we add to them the many thousands who will be demobilized from the armed forces of the crown? I fear that unless we are properly prepared, we court great social trouble, almost social chaos. I do not think these men, some of whom have known poverty and unemployment, some of whom have ridden the rods from one end of this country to the other, will consent to be placed back in a position where they will live at a level lower than that of decent subsistence, and perhaps have to ride the rods again.

I am most anxious to see the ablest committee that can be appointed by the government and by this house begin now to make plans for that future day. It may not be—I hope it is not—as far off as we sometimes fear it might be. I noticed a short time ago, I think in the press, a report that the Prime Minister had appointed a committee of departmental officials. This is not enough, although I have confidence in many of our departmental officials. Like the leader of the opposition, when Doctor Skelton died I felt that, without making any comparison that might be taken in a wrong way, Canada had lost its greatest civil servant, a man who served this country as few others have ever served it. Therefore I have no criticism to offer of many of our departmental officials, but they view matters from the departmental angle, and we need a committee with a wider viewpoint.

Finally, I hope our government will maintain and extend its friendly relations with the United States. Indeed, I hope the government will maintain and extend its friendly relations with all the peoples of the American hemisphere. Contrary to the view expressed by the leader of the opposition, I think it an excellent thing that representatives are to be appointed to the principal south American countries. I am glad the Prime Minister is going to appoint someone to take over the load that cannot now be carried by Mr. Christie because of ill health. May I respectfully submit to the Prime Minister that when he appointed Mr. Christie I thought he made an exceedingly good appointment, because it was a well deserved promotion for a man who had served Canada well in the public service. I was hoping that the right hon. gentleman might be able to find among those in his department some other trained official who could take over that post in the United States. I repeat what I said a few moments ago. I consider it most important that we should maintain the closest contact with the United States, that we should have representation there able to meet any criticism, of ourselves or of our war effort, of the type to which I referred a little earlier in my remarks.

These are some of the thoughts that we have in mind at the present time. As regards the actual details of our war effort, we shall have another opportunity of discussing them on another measure. All I want to say now is that we hope that the next few months, very difficult though they may be, will result in a victory for our cause, and that in the meantime we may consider our internal conditions and prepare to meet the problems that inevitably will arise when this war ends.

Mr. J. H. BLACKMORE (Lethbridge): Mr. Speaker, I represent a group and a movement which, while a definitely reform movement, advocates something which is almost diametrically opposed to what has been advocated by the hon. member who has just taken his seat (Mr. Coldwell). We do not believe it will be necessary to take away from men the incentive for action, the right to own and control their own property, their own industry. We do not believe it will be necessary to take away from men the right to rule themselves, not only as large units but as smaller units. We believe we have a method which, if adopted and applied wisely and honestly, will accomplish the ends which I have mentioned.

My remarks will have more or less to do with the internal economy of the country. I am going to quote from the Prime Minister's speech three small excerpts which might form a text for my remarks. The first is found on page 806 of *Hansard:*

> It is not possible to divorce war enactments and the foreign policy on which they are necessarily based. This is particularly the case at a time of war when both foreign policy and war measures themselves are focused upon the successful prosecution of the war.

With that I entirely agree.

From page 809 I quote the following words:

> That the forces of freedom will triumph in the end, I have no doubt whatever. But equally I believe, as I have already so frequently said, that the road is going to be much harder, much longer and much more terrible than most people imagine. We should govern our thoughts and actions accordingly.

Again I find myself in complete agreement with the Prime Minister.

Finally, on page 813 I find these words:

> The united national support of each dominion for its war effort will continue throughout the war to be more important than all else. Under constantly changing conditions, that unity will, I believe, be better maintained by the presence of the prime minister at the head of the administration at home than at the council table in London.

Upon the latter sentence I shall not make any pronouncement; my point of view would be that it is the Prime Minister's own business whether he stays at home or goes abroad. We elected him to use his discretion, and whatever he chooses to do he will have my support in doing it. With the former sentence I heartily agree.

What I am going to say next may meet with less approval than what I have already said. I have said two or three times that when I felt that the government were following policies injurious to the Dominion of Canada I would take every opportunity to oppose those policies, and would indicate the points on which I believed they were in error. I should like to quote now some small excerpts from the supplementary submission by the government of the province of New Brunswick to the royal commission on dominion-provincial relations. It is not my desire to raise the contentious question of the Sirois report, but I believe that commission served a great purpose to this country in that it caused people everywhere to think about our problems and elicited from every province valuable comments upon its particular problems as well as suggestions for their solution. Having said that, I quote some words which I think will be unpalatable to most hon. members. On page 3, referring to confederation they say:

> The result has been that confederation has not conduced in any way to the welfare of New Brunswick, and has been disastrous to this province.
>
> Thus the main object of the union has been nullified and this has given rise to practically all the difficulties which now exist.

Those words are sufficiently solemn to require no comment from me. Then I read from page 6 of the same document:

> Canada can only be great if it carries out its obligations. National unity can be developed and exist only on the basis of a national economy, not an international economy.

It would be unfair for me to read into those words an interpretation which perhaps they were not intended to convey, but I think everyone will grant that a person is at least free to suggest that the writer had in mind economic nationalism rather than such dependence upon trade as we have had.

I read next from page 4 of the same document. Speaking of Canada, the writer says:

> Its duty is toward the provinces as provinces.

And again:

> Nearly $300,000,000 of the public money of Canada are invested in the United States for the development and operation of railways, harbour facilities and even coal mines in that country.

It would take too long for me to comment on that remark. Perhaps some day I shall say more about it.

Finally, I read from page 6:

> In any federal union each province or state should have a fair deal and centralization of power is fatal to the union. Centralization is unthinkable under the confederation of the British North American provinces scattered across the continent. If centralization is persisted in by parliament there is an apparent danger that it will destroy confederation.

It will now be apparent to hon. members why I selected as my text the Prime Minister's solemn remark as to the importance of Canadian unity. Doubtless all hon. members have been as much alarmed as I have by the tendency toward centralization which is apparent at the present time. I have in my hand the A.M. Papers of February 17, issued by the Department of Munitions and Supply, setting forth the contracts awarded in the week ended on that date. I find that of 110 contracts fifty-eight were placed in Ontario, thirty-one in Quebec, only eight in British Columbia, six in Manitoba, two in New Brunswick, two in Alberta, two in Saskatchewan and only one in Nova Scotia.

When the Minister of Munitions and Supply (Mr. Howe) was being criticized on this score the other day, he defended himself by pointing out that orders were placed where they could be filled. I am not questioning that; what I am pointing out now is that in the Dominion of Canada a development has been going on which has so centralized the industry of this nation that it has become necessary to place these orders in the two central provinces. May I hasten to say that I am not finding fault in any way with Quebec or Ontario. The people of those two provinces are good Canadians and are entitled to their full share of the good things available in this nation. But let it not be forgotten for one moment that the people of every one of the nine provinces of Canada have an equal right. If that is forgotten, then unquestionably the unity of this country will be threatened, or, if not the unity, at least the strength.

May I cite another example of the dangerous centralization which is going on in Canada

to-day? I have the Department of Munitions and Supply sheet issued on February 15, and in it I read the following words concerning a gentleman appointed as motor vehicle controller.

Mr. MARTIN: A good man.

Mr. BLACKMORE: He needs to be a good man to fill that position justly and equitably. I read the following words:

> The motor vehicle controller has wide powers to control and regulate the entire automotive industry. He can license any person or company manufacturing or dealing in motor vehicles. He can license manufacturers and distributors of trailers, tires, and all other motor vehicle accessories and parts. He can issue licenses to manufacturers of materials entering into the making of motor vehicles.

Again:

> The controller may prohibit any person from making or dealing in motor vehicles, either entirely or to such an extent as he may see fit. Subject to the approval of the minister, the controller may establish a quota or quotas prescribing the kind, type or model of motor vehicles, and the number of any kind, type, or model that may be made or dealt in by any person or company.

I am not going to discuss the advisability or the inadvisability, the necessity or the lack of necessity, of conferring upon such a man such powers as those. But I am going to observe that in a large measure that amount of power nullifies, during the progress of the war, the all-important provincial power over property and civil rights with respect to motor vehicles. If this man does not exercise the powers of his high office with justice, broad-mindedness and interest in the welfare of northern Saskatchewan and southern Prince Edward Island as well as of Quebec and Ontario, then the result will be a concentration of power which may injure this country quite seriously before the war is over.

Other controllers have been appointed, of whom I might mention just two, the fuel controller and the sugar controller. The powers conferred upon them are well-nigh boundless. As I understand their powers, they can close up a sugar factory or an oil well, or they can put either enterprise under such handicap as will render it economically unsound in a very short time. Should a man in one of those positions wish to destroy industry, we will say in Manitoba, in order that industry in Ontario might get the market, it would be within his power to do so. This could be done by secret devices which would not be observable to the ordinary citizen.

Some provinces are already suffering from the disastrous effects of centralized power which has been used in the past to the benefit of certain interests in the two central provinces. Several of the major disabilities of the provinces have developed as a result of the possession and exercise by Ottawa of the power to disregard the will and the welfare of the provinces. Among these disabilities I would mention, first, the deterioration of industry or its inability to establish itself in any given province. To-day industry languishes in seven of the provinces. As an example, may I cite the state of industry in New Brunswick? Formerly that province was great and well to do, having a rich industrial life and a happy people. In support of my statement I should like to read from page 76 of the brief submitted by New Brunswick to the royal commission. I quote:

> New Brunswick was in a quite different position. It was regarded as the wealthiest section of British North America. There was no racial controversy. The economic situation was satisfactory. The relations with the other provinces were amicable. It had relatively large manufacturing and commercial organizations. Banking houses, financial institutions and insurance companies were established and were giving service in the assistance of industries. The people were contented, well-ordered and enterprising. . . .

Now let hon. members recall the first statement which I read from the supplementary submission of New Brunswick; then let them ask themselves whether or not there is something that can and should be done by the members of this house to help that province.

May I read next from the New Brunswick submission at page 49, where I find a hint of the condition of industry in that province at the present time, and of the underlying reasons:

> The disadvantages from which New Brunswick has suffered in relation to the tariff were further accentuated and increased by the unauthorized burden of excessive freight rates on the railways in the maritime provinces after 1912.
>
> Principally as a result of these two elements industries became centralized in the provinces of Ontario and Quebec. Large companies having their head offices in Ontario and Montreal bought up many industrial plants in New Brunswick and then closed them down. The manufacturing in New Brunswick at the present time is insignificant as compared with manufacturing in other parts of the dominion.

I ask hon. members, can this government be justified in expecting from New Brunswick the war effort which she could have rendered had she been kept as strong economically as she was when she entered confederation? There will be those who will say: But that was an impossibility. I challenge that statement. It is not an impossibility for the people of any area in this richly endowed Dominion of Canada to be prosperous and happy; and if any area has become poverty stricken, it is because of faulty principles applied in policies dictated from Ottawa and forced upon the provinces.

May I give just a simple illustration of the way in which Ottawa policies can militate against a province like New Brunswick, and of how utterly helpless New Brunswick is to prevent it. On page 63 of the New Brunswick submission hon. members will find a statement concerning Connors Brothers, Limited, canners of fish, principally sardines. In their establishment there are 600 employees. They give employment to 1,000 men engaged in fishing. There is $2,000,000 invested in the industry. Surely one would expect the dominion government to do something to assist an industry of such value in providing employment for the people of Canada and in increasing the well-being of New Brunswick. But this is what this government actually did.

This canning factory in 1937 placed an order in Maine for $5,070.04 worth of tinplate. When the goods crossed the border, the Minister of Finance was not content with charging his duty upon the $5,070.04. He set the price at $5,553, and then levied his duty upon that sum, thereby taking from the company $1,110.60. Then he imposed an excise duty of $199.91. Then he imposed further a dumping duty of $1,066.10. The result was that these duties so greatly increased the cost of the tin-plate, which constitutes a major part of the cost of the final product, that the cost to the maritime provinces was estimated at several hundred thousands of dollars annually, and the cost to the Dominion of Canada was several million dollars annually. I am not going to discuss the possible reasons for these imposts. I merely point to the fact that they were there, and that they militated against that valuable industry which was a natural industry to New Brunswick, and I point out that unless the policies at Ottawa are managed in such a way as to cause the federal government to refrain from placing such a burden upon the industries of a province, the provinces can never be prosperous or strong.

I turn now to a second major disability of the provinces—the alarming development of price disparities, bearing with especial severity upon our agricultural population. In the Searle index letter of February 19, I read the following statement:

> The Searle index of the cost of things farmers buy (147 items) now stands at 142—1913 equals 100. This means that these things cost farmers of the west at the present time 42 per cent more than did similiar items of the same quality in 1913-14.
>
> The price of wheat, No. 1 northern, on February 18, basis the open market price, was 14 per cent less than it was in 1913-14. This means, therefore, that a bushel of wheat in western Canada now has a purchasing power of 58 per cent only, in comparison with the purchasing power of a bushel of wheat in 1913-14 of 100 per cent.
>
> The Searle index further shows that the cost of the things that farmers buy has risen 8 per cent as a result of this present war. That is, costs are now 8 per cent on the average higher for the 147 items than they were in August 1939.

Apologists for the government will urge that the prices which western farmers obtain for their products are dependent upon external market conditions, and they will point to the collapse of Holland, Denmark and all the rest of them as the reason why. Their defence is a very weak one. I shall not enter into the whole question just now, but let us as responsible members of this house bear in mind that this disability does exist, and that so long as it exists it is simply fatuous for us to expect from the people of western Canada a similar contribution in the conduct of this war to their contribution in the last war, be their will ever so strong.

There is another aspect of the question which, I think, will require much apology on the part of government supporters. The cost of binders, to take only one example, has risen since 1913, according to the figures I find in "The Cooperative Machinery Plan," published by Canadian Cooperative Implements Limited, as follows:

Year	Material	Labour	Overhead	Experimental
1913.....	$45.56	$11.97	$17.96	$ .34
1936.....	71.06	22.62	33.93	2.55
1940.....	....*	....*	....*	....*

Year	Freight	Agent commission	Gross margin	Cash price Regina	Cost in bushels of wheat
1913...	$17.80	$30.45	$42.94	$167.02	261
1936...	26.08	45.50	79.26	281.00	319
1940...	....*	....*	....*	340.00	637

* These figures not available for 1940.

Those machines are manufactured in Canada. It must lie within the power of the dominion government, or the Ontario government, or both, to control the price of them. Yet let me point out, what I consider a disgraceful thing, that the agent's commission rose from $30.45 in 1913 to $45.50 in 1936, and the freight, over which this government certainly has control if it chooses to exercise it, increased in the same period from $17.80 to $26.08. I am not going into further details regarding the matter. I wish merely to point out that there is here a glaring injustice, that this situation has been permitted by the government at Ottawa to develop, and that a major part of the blame must be assumed by the Mackenzie King

administration, for it has held office most of the time during which those changes have taken place.

The increase in price has been made notwithstanding the recommendation of a special committee of the House of Commons in 1937 on farm implement prices. The government received the recommendations of this committee, and then allowed the machine companies to increase the price next year, as if in open defiance of the government, of the committee, and of this house. And we talk about democracy! My local newspaper, the Lethbridge *Herald,* is very fond of picking up things which men like me say, and writing editorials about "the things that make Hitler happy." I imagine it would be very fitting for them to take this and write a good editorial on it, and I commend to them through you, sir, the suggestion that they take this set of figures and write an editorial on "making Hitler happy." How in the world could one gladden Hitler any more than to show by such things as this that in a country like Canada, with almost limitless resources, the powers that be are strangling, hampering and impairing at every turn of the road the production of this country and its fighting strength?

Not only did a committee of the House of Commons find that these prices were unjustifiably high; a committee of the Saskatchewan legislature on farm implement prices and distribution, sitting after the rise in price, recommended also that something be done. As usual, however, when any province asks the dominion government to do anything, the dominion government slaps it in the face. Let somebody call that "democracy" and defend it! Canada seems to leave her farmers to take care of themselves. Everybody can be the recipient of the most solicitous care and attention, except farmers and labouring men.

May I contrast our way of doing things with what I read concerning the United States? I hasten to say that I have not personally investigated this matter. I have again to depend upon what I read in the Searle letter. But I find in that letter, from which I quoted previously, a statement by the editor which indicates that at the present time the United States is spending great sums of money in an endeavour to bring about price parity, which means, as hon. members know, a set of prices as a result of which the men who produce and sell have a chance to get as much for the commodities they sell as they have to give for the commodities they buy—a set of circumstances which would overcome the glaring inequities to which I refer in the rise of the price index. According to the Searle letter, the United States has made allowances to farmers for keeping certain land out of cultivation, for engaging in a special kind of ploughing to prevent soil erosion, for the planting of trees, or of certain kinds of designated crops and so forth. I quote:

> These benefits to farmers, within the lines of this broad "parity" policy, take the form of cash payments. The editor of this Searle letter has just returned from a visit to certain parts of the United States, and finds that the state of Oklahoma, for instance (the only state of which he secured accurate records) in 1939 enjoyed a total cash income from tne sale of agricultural products of $167,000,000. Oklahoma farmers received cash payments from the federal government in addition however of $27,731,000 or approximately a 17 per cent bonus on the cash they received for their agricultural products on the market.
>
> It is not supposed that this "parity payment", as it is called, of $27,000,000 brings the income of 213,000 Oklahoma farmers up to the desired and aimed at parity, but at least it is pretended that the cash payment is some step in that direction.

What do Canadian farmers face? Hon. members do not need to have the case reviewed. Out in Saskatchewan they are struggling to organize a cooperative with the hope of obtaining a modification in the price of implements. I contend that no group of farmers in this dominion should be obliged to organize. This government, concerned about the output of agricultural products for the conduct of this war, should be most urgently interested in the welfare of the farmers and go out to seek their needs, instead of pursuing the shifting, vacillating, uncertain, disheartening policies which have obtained in this country for the last several years, and just exactly at the time when the farmer begins to get something like a reasonable price for his butter, pegging the price, putting the ceiling in butter prices, all right, but utterly ignoring the floor.

The third great disability from which the provinces are suffering is that of an outrageously inequitable freight rate structure. No particular province is alone in this respect; I believe all are suffering. I referred for a moment or two to the exorbitant increase in the freight rates on that binder—may I quote again?—from $17.80 in 1913 to $26.08 in 1936. People will ask, perhaps, what will you do? I am not suggesting what should be done. I think I know what should be done. I know there are many people who do not think I do. The amazing thing to me is that so many hon. members seem willing to let the patient die rather than try a new remedy, and they are so cocksure and all-wise about everything one suggests to them. They can sneer and

laugh about any new idea, at the same time that they see their country deteriorating into an abject, hopeless, impotent expanse of poverty and misery—in many cases, see their own province doing so. Meanwhile the inequity of the freight rate structure exists, and it is the duty of the men in charge of this country to see that the wrong is remedied. My time will not permit me to go into as much detail as I should like to do in connection with this matter. Probably I shall have more to say about it at some other time.

I am going to refer to a statement that appeared in the Toronto *Globe and Mail* and was reprinted on January 22 in the *Fundy Fisherman* dealing with freight rates from which Prince Edward Island suffers. Let me read the exact words:

> Maritime province farmers have reason for complaint. According to provincial government officials attending the Ottawa conference, Prince Edward Island cheese is shipped to Montreal, weighed there and then sent back to Halifax over much the same route, for export to England. The producers receive the Montreal price, less the wholly unnecessary freight charges, since all cheese exported from Canada is paid for on the basis of Montreal prices.

I have tried that bit of information on several prominent Canadians and in every single instance they have found it utterly impossible to believe that such a condition existed or was permitted to exist in this country.

> Thus, at a time when the railway between Montreal and Halifax is jammed with trains carrying vital war materials and munitions, and scores of miles of additional passing tracks had to be constructed to facilitate traffic, we have the strange spectacle of maritime province cheese destined for Britain being shipped more than a thousand miles merely for the purpose of being weighed. Is there any reason why the cheese could not be weighed and graded at Charlottetown or Halifax?
>
> The maritime farmers have another grievance: Hogs raised within sight of Halifax harbour are paid for on the basis of prevailing Montreal prices, less the freight rate from Halifax to Montreal, which means Nova Scotia farmers get about sixty cents per hog less than Quebec farmers. That may be reasonable enough if the hogs are to be slaughtered in Montreal, but it seems a bit thick when they are killed, pickled and packed in Halifax and sent directly overseas, with the overseas price to the Canadian bacon board based on delivery at the Atlantic seaboard.
>
> Is it any wonder the maritime producers are angry after taking the matter up with Ottawa and getting nowhere?

That last statement is, I think, a challenge to Canada. It is the fact that the maritime provinces have taken up these problems at Ottawa and have got nowhere in dealing with such flagrant abuses as this.

> The whole thing shows a lack of proper consideration.

These are moderate words, I would say.

I did not take the trouble to look up authorities in this matter and I am taking what they say. My time is finished and I will close with this observation. I will merely touch upon the fourth main disability of the provinces, the credit structure, and pass on. We must take action with regard to credit facilities in Canada. Here we have four disabilities from which the provinces of this country, from end to end, are suffering excruciatingly—four disabilities which are hampering the productive power and the war strength of the nation at every turn.

In all sincerity, in all humility and good nature, I suggest to the government that they take steps immediately to remedy these abuses, that they see to it first of all that industry in Canada is decentralized; second, that price parity is established within the provinces. In order to do this, they might plan production, working with the provincial governments and with the producers that we may not have too much goods and yet have enough. Again, let them render it possible for any worthy institution or individual in Canada to obtain credit. Let them modify his costs so that he can produce. Let them provide markets for him one way or another. It may be said, "But we cannot get external markets". I am not asking for external markets. The thing that astounds me is that the men in this government do not realize that one can have internal markets without depending upon markets abroad.

Let the government manage prices by producing plenty through the bonusing of labour costs and production costs in order to allow the primary producers to get fair prices for their products and to obtain at fair prices the commodities they have to buy.

Let the government discharge their responsibility, entered into at the time of confederation, to provide freight and other transportation as a service, giving all the people throughout the dominion a fair chance in the matter of freight rates.

Let the government devise and enforce an equitable freight rates structure planned to aid producers and consumers and not to enrich the shareholders of big railways.

Finally, let the government discharge their responsibility under item 15 of section 91 of the British North America Act, in which the dominion was given charge and responsibility concerning banking and credit, which means that it is Canada's business to see that the credit-worthy people of the country receive credit whether the bankers think they ought to receive it or not.

If the government will do these four things, they will find very soon that there will be a much more united Canada, a much more powerful Canada, a Canada that shall go forward in this great struggle with confidence and assurance, using to the full the resources God has given her.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Right Hon. ERNEST LAPOINTE (Minister of Justice): Mr. Speaker, my reason for taking part in this debate is more particularly that I feel it my duty to make my position clear before the house and before the country on one or two points which were raised in the house and in the newspapers last week. Before doing so, however, I wish to say a few words on the subject matter of the debate, the purpose for which the motion to go into supply is before the house, namely, external affairs.

Of course at the present time all our activities in external affairs are governed by the war. The foreign policy of Canada or of any country is determined by its national interest and by its cultural and moral structure. We are at present going through a terrible crisis. Canada accepted the necessity of this war because she could not do otherwise, and because her honour and her most sacred interests were at stake.

The British commonwealth of nations represents a civilization to which the members of that commonwealth are so deeply attached as to be ready to defend it if the need comes. Hitler is making war on the whole world, politically, morally and economically. He said himself only a few weeks ago in one of his famous vituperations:

> Two worlds are in conflict, two philosophies of life. One of these two worlds must break asunder.

Britain and Canada are fighting to save and preserve the soul of man, to save the other world, the one that Hitler is trying to destroy. If, at the start of hostilities, some may have entertained different views as to where our duty lay, surely the events of the last few months must have changed their views about it. In the light of new, extraordinary and unforeseen conditions, surely they cannot stick to opinions which they might conscientiously have entertained when civilization itself was not at stake.

Our policies must be realistic, based on facts, on life. Common to all our national

groups in Canada are fundamental ideals that should unite us all. First among these is freedom of the individual; we Canadians do not want to be either tools or slaves. Second is the freedom of national groups in our community to develop their own cultural mentality and traditions; we have only to think of the ruthless destruction of Czech and Polish nationhood to know what would happen if Hitler were ever the master of Canada. Even in France, although there is an armistice, the process is in operation. I received the other day from the comité France-Amerique circulars protesting against the compulsory evacuation by Germans of all the French citizens of Lorraine, all those whose names were not German. They were robbed of their property and expelled from their native land. Everywhere Germany has done away with the national language of the communities she has enslaved. We do not want that in Canada.

The third ideal is the liberty of the Christian faith. Does everybody realize that we to-day are witnessing the same events as happened thirteen centuries ago when the forces of Mahomet tried to dominate Christianity and forced Christians everywhere to take up arms to defend their faith? There were nations at the time which hesitated, which did not defend themselves at the start; they were conquered and they had to choose between death, slavery or adjuration of their faith. Hitler with his complex of divinity would land us back in the dark ages, but of course with the new modern technique which he has invented. As between the Cross and what it means to us and the pagan swastika and what it represents, we certainly choose to defend everything that is dear to us.

Furthermore, a nazi victory would mean the shattering of the world structure as we know it to-day. Some make the mistake of believing that civilization is secure. It is not. We have to watch over it and guard it. Before the advent of dictatorships there was stability in the world; the word of any great country was as trustworthy as its very existence. To-day the new world order is made up of gangsterism, lying and diplomatic blackguardism. If this is to be the victorious order, it will be useless for nations to engage in negotiation or enter into agreements or treaties. It would be better to have no agreements than to have broken agreements. Honesty, justice and respect for the plighted word are necessities in international relations. Until we have those, no small nation can be neutral or secure. I believe in the League of Nations, as does my hon. friend, the leader of the opposition (Mr. Hanson) and other hon. gentlemen who have expressed them-

selves accordingly. Perhaps it may have to be reorganized, but an international body is absolutely necessary. We shall, however, have to see to it that the pledge of all members is fulfilled and lived up to.

This is a war parliament. This government has received a mandate to lead the country in this struggle for freedom and peace. Up to this stage of my remarks apparently everyone has agreed with me, but I am afraid I am now entering another field where there may be some disagreement. Suggestions have been made in this house by hon. members for whom I have the greatest respect, and similar suggestions have appeared in certain newspapers, that we should change the complexion of this government and have what is glorified under the name of "national government." I feel it my duty to express my views frankly and respectfully, but firmly. Perhaps I am more at liberty to speak than other members of the government because I would gladly give up my own place to someone else if that were the better course to pursue. I feel sure that those who know me well, realize that it is only a sense of duty that keeps me in the position I now hold.

Mr. Asquith has said that democracy implies that the will of the people must prevail. I ask in all sincerity: Is not the present government the government which Canada said only a few months ago that she wanted during the war? Indeed, every one of us has been accepted and endorsed by the people as part of the government for the purpose of carrying on the war. This parliament is not a pre-war parliament as were the parliaments of Great Britain and New Zealand. This government is not a pre-war government. The war policies of the government were submitted to the people. The issue was fought squarely. The people were asked unequivocally whether they wanted this government to lead the country during the war or whether they wanted an aggregation of best brains, as has been suggested by some newspapers and given by my good friend, the leader of the opposition.

Every candidate of the official opposition was a candidate for a national government. Not only could that be seen in the newspapers of the time; but if hon. members will consult the *Parliamentary Guide* just issued, they will see that every one of my hon. friends opposite from the leader down is described as "N.G.", meaning "national government". Even the hon. member for Vancouver South (Mr. Green), for whom I have the greatest respect and affection, is referred to in that way.

Mr. GREEN: I was elected as a Conservative.

Mr. LAPOINTE (Quebec East): The hon. member is referred to as "N.G.", like all the others.

Mr. MacNICOL: May I ask the minister—

Mr. LAPOINTE (Quebec East): Yes, my hon. friend is "N.G." too.

Mr. MacNICOL: Is that red book published by the government?

Mr. LAPOINTE (Quebec East): No.

Mr. MacNICOL: Whoever put "N.G." after my name had no business doing it. I ran as a Conservative.

Mr. LAPOINTE (Quebec East): Did my hon. friend protest before March 26?

Mr. MacNICOL: I ran as a Conservative.

Mr. LAPOINTE (Quebec East): I congratulate my hon. friend.

Mr. HANSON (York-Sunbury): So did I.

Mr. LAPOINTE (Quebec East): I congratulate my hon. friend. So the whole thing was a joke?

Mr. HANSON (York-Sunbury): This is a burlesque.

Mr. LAPOINTE (Quebec East): Yes, a burlesque, and the people of Canada thought it was. I hope my hon. friends will not resent anything that I say. Thirty-nine of them were elected, but there were 206 "N.G.s" who were defeated by the people of Canada.

Mr. MacNICOL: I increased my majority.

Mr. LAPOINTE (Quebec East): Can my hon. friend say that the people of Canada want a national government? How can that be said without some degree of comedy? Listen to what was said in the press at the time. A leading newspaper, the Winnipeg *Free Press* had this to say on March 27, 1940:

> The government support is now so general and national in complexion that, while it may bear the Liberal label, it is, by every test that counts, a "national government." It has in some respects lost the right to call itself Liberal, for hundreds of thousands of the votes cast in its favour came from electors who are not, and never will be, Liberals at all. They were impelled to vote as they did because they resented the kind of campaign that had been waged and because (as they had every right to do) they believed Mr. King and his colleagues when they announced their watchword of "no politics for the duration of the war".

Here is another one, also from the Winnipeg *Free Press,* written on March 13 last:

> The maintenance of an effective and powerful opposition is the best guarantee a democracy has of dynamic and efficient administration. To destroy or weaken that unnecessarily by the formation of a national government is unwise and dangerous, for no political deadlock has emerged and no major issue has arisen in regard

to the conduct of the war which calls for the extreme steps involved in the building of an emergency union of existing political groupings.

The Prime Minister has no mandate to form such a government as is suggested. Indeed, he has a definite mandate against forming such a government; and if the opposition was pressing this request, I know of only one way of meeting it: Let the people decide. Do the people want it? Surely a new election would be unthinkable. Then why try to divide Canada by pretending to unite it? Why throw this apple of discord into our national arena?

My province is unanimously opposed to the proposal. The mere mention of the name "union government" brings forth painful memories which it is almost a crime to resurrect at this time. I speak very frankly. I do not feel that I could sit in such a government if I were asked to do so and represent my province. Frankly I say and I believe, and I think others will believe, that I cannot do it and no other man can either. Do you not think, Mr. Speaker, that anything which would destroy the unity of our country could be called an act of sabotage? In a democracy the designation of the rulers of those who are to be governed is and must be made by the vote of the people. I beseech the promoters of this scheme—and I know they are anxious that Canada should give its best war effort—to let well enough alone. I implore them not to undermine the confidence of the people in their duly and freely elected rulers.

We are being told that in other nations of the commonwealth, national governments have been formed. Yes, in two of them, Great Britain and New Zealand.

Mr. COLDWELL: Not New Zealand—Australia.

Mr. LAPOINTE (Quebec East): Not Australia—New Zealand. In Australia the Labour opposition were invited to come into the government and they declined. They accepted to act as a sort of advisory committee. That is what they are in Australia. But in Great Britain and New Zealand, when the war came, there were in power pre-war governments, and instead of the government going to the people and having them ratify the government's war policy, the government formed what was called a union government and dispensed with a general election. In south Africa, far from forming a national government, they dissolved the union that existed between General Smuts and General Hertzog.

I have here something which comes from a part of the commonwealth whose loyalty will certainly not be challenged—Northern Ireland. There on the 25th of June, 1940—and I take this from the Journal of the Parliaments of the Empire, Mr. Beattie moved in the House of Commons the following motion:

That this house views with alarm the continued refusal of the government to cooperate with all parties in the house for the formation of an all-party government for the duration of the war.

Speaking on the motion Lord Craigavon said:

The thought of including members from the other side of the house has occupied my mind for some time, but I believe the government are in a stronger position as they are; and, therefore, if the hon. member who has moved the resolution will accept my word that I have nothing at the back of my mind but the desire to have as strong a government as possible in the present crisis, it covers the whole ground of the motion.

The question was put and negatived.

Later, on the 29th of September, Mr. Warnock moved the following motion:

That in the opinion of this house the government of Northern Ireland as at present constituted is not the most effective instrument for the prosecution of the business of the state, either in relation to the war effort of the country or the ordinary business of good government, and that the welfare and prosperity of Northern Ireland, present and future, would be better secured by a reorganization of the cabinet.

Those are almost the words which we have heard in this country. The Prime Minister, Lord Craigavon, in reply said:

—that if he thought that any other man could step in with the knowledge he had of the complications across the channel and the difficulties that confronted them, if he thought he could serve Ulster by stepping down he would do so immediately. Mr. Warnock would like to have a general election, because that was tantamount to what his motion came to. It was a very inappropriate time and he doubted very much whether one of those loyalist members who had backed them up for so long would lose his seat.

I, too, doubt very much whether a single one of our members on this side of the house would lose his seat if there were a general election now, as might be compelled by the government acceding to this proposal.

The country has given a mandate to the Prime Minister—not to the editors of some newspapers, important as they may be—to form a government. Public opinion is not opinion that is expressed most loudly by a few. Public opinion is opinion which is socially accepted, reflecting the private views and opinions of the members of the community. Newspapers put forward opinions which are their own, those of the proprietors or editors. They have a perfect right to do so if they are frank about it. But if they say, as some editors are tempted to do, that the opinion of the editor is the public opinion of the country, or of the province, or of the race

to which those gentlemen belong, it is a mistake, and should not dominate the policies of any country. Usually it serves a purpose which is not at all the one that they have in view.

There are two classic examples in contemporary times. Take the election campaigns of President Roosevelt, both the last one and the one in 1936. Practically the whole great press of the United States was fighting President Roosevelt. The house knows what the result was. The opinion of the press was certainly not public opinion. The same thing occurred in England not very long ago, when the great newspaper combinations controlled by Lord Rothermere and Lord Beaverbrook tried to establish empire free trade. They were very outspoken, even vociferous about it, but their views were not the public opinion of England nor the public opinion of the British dominions. May I quote in that respect the words of an article that I read yesterday—well, yes, I read these things even on Sundays—in the *Political Quarterly,* an important English publication:

> But it can be noted that every time the press conducts a campaign which is pure published opinion, it has the effect of making many people puzzled and suspicious. By tampering with opinion, by regarding public opinion as a vague word which can be raked out to support an editorial argument, the press plays with fire.
>
> The press would be working in its own long-term interests, if it always took its responsibilities to the public 100 per cent seriously and if it asked itself frequently the question to which a preliminary answer has been attempted here: "What is public opinion?" But the deeper question for democracy and far-seeing leadership, and one needing a regular, accurate, objective answer, is "What is private opinion?"

May I speak of one newspaper which is very prominent in this campaign in my own province—the Montreal *Gazette*? I am a personal friend of the editor of the *Gazette* and of his representative in the press gallery, and I should not like to say anything that might be unpleasant. But do you think, Mr. Speaker, that the Montreal *Gazette* represents the opinion, I will not say of the province of Quebec, but of the English-speaking citizens of that province? Not long ago we had a federal election. I took part in that election in the very community in which the Montreal *Gazette* operates. The *Gazette* was then advocating national government, as it is to-day. My two dear old friends, Mr. White and Mr. Cahan, both representing strong and traditionally Conservative constituencies, and very good men indeed, were defeated because their election campaigns were engineered by or supported by the Montreal *Gazette*. The same thing happened in the provincial election a few months ago. It might appear bold on my part, but I venture to say that I represent the views of the English-speaking electorate of Montreal better than does the Montreal *Gazette*. When some editors speak on behalf of the people of Canada, it reminds one of the tailors of Tooley street speaking for the people of England.

Is it certain that a union government, if it were formed, would be strong as far as the confidence of the country is concerned? Yes, we had a union government; it carried the country in 1917. I do not want to recriminate or to give any reasons which might lead to a discussion. But as soon as that general election was over, there were by-elections throughout Canada, during the whole term of that union government, and everywhere the government was overwhelmingly defeated. In all the provinces of Canada, except in the case of ministers who, at that time, had to go to the electors after being asked to join the government, the candidate of the union government was defeated. And, mind you, all those constituencies had elected union government supporters in 1917.

In Ontario that happened in Glengarry and Stormont, Ontario North, Peterborough West, Temiskaming. I will not refer at length to Quebec; it is not necessary to do more than call attention to Quebec East, Kamouraska, and the St. James division of Montreal. But in New Brunswick there was Victoria and Carleton where Mr. Carvell, upon being appointed to the board of railway commissioners, was replaced by Mr. Caldwell with a big majority. In Saskatchewan, when Mr. Turriff was appointed to the senate, the union government candidate was defeated. Is this a good record on which to recommend similar government at this time? No, Mr. Speaker.

The internal advance of democracy depends upon giving expression to the will of the people. Nazism and fascism have nothing new in them, because they are merely the old sort of tyranny when a government was seized or set up by a group instead of being selected by the people of the country. Even those who clamour for a national government say that there must be a strong opposition, and they are right. An opposition is a necessary part of a democratic parliament. It has duties to perform as important as those of the members on the government side. Do any of my hon. friends believe that the joining together of all groups in a government is desirable if it has the necessary effect of further weakening the opposition? I do not. I reiterate my plea to the promoters of this proposal not to persist in an endeavour that will be detrimental to the cause which we all desire to serve.

Mr. SPEAKER: I must remind the right hon. member that his time has expired.

Mr. LAPOINTE (Quebec East): I shall be through in a moment, Mr. Speaker.

Some hon. members: Go on; go on.

Mr. SPEAKER: With the unanimous consent of the house.

Mr. LAPOINTE (Quebec East): We need unity in Canada, for the carrying out of both our internal and our external affairs, and we may thank Providence that unity exists to a greater degree than it has ever existed in any other period of our history.

I remember meeting Mr. Andre Siegfried, a prominent French writer, a few years ago. He is well known in Canada, having travelled throughout the country, and he has written books on Canada. He told me that he had noticed some divisions in the country, which he said were quite understandable because of its wide area and the differences in race and mentality. He said there was only one way of uniting Canada and that would be for Canadians to fight for a common cause, to oppose invasion if the country were ever invaded, and to share in the same struggles and the same perils.

I believe, indeed I hope, that the present struggle through which we are passing, the sacrifices in which we are all sharing, may have the effect of welding us into an enduring and stable nationhood. We should learn to be more tolerant of one another as a result of these sacrifices, and we should try to restrain those who have been and are now speaking or writing things which may create friction and may be resented by people in other sections of Canada.

Especially when it comes to creeds and religions, how can a soldier, a loyal worker, go on with his work and continue to make sacrifices if at the same time he reads things that make him feel that in his own country he is an object of suspicions and attacks?

The isolationists in the United States have had no greater mouthpieces than German agents. Hitler has boasted that he uses honest men and honest opinions in every country to serve his purposes, and those who know what has happened in Holland, Norway, Belgium and France know that this is true. The fifth column rather than armed forces defeated these countries.

I have read a book published a couple of weeks ago by a prominent French writer who now lives in Montreal, M. Andre Cheradame. The book is Défense de l'Amérique, the Defence of America, and I hope it will be translated and distributed throughout the dominion. What has happened in Europe during the last few years before the war, and more particularly in France, is described in this book in an illuminating manner. It will open the eyes of many. In France in the last few years, without the people knowing it, newspapers, large and small, were doing the work of the agents of Hitler. This is being done now in south America and in the United States, and it is paid for by our enemies.

I disagree with the leader of the opposition, who the other day criticized the expenditure of the money that is being devoted to the bureau of public information. We are not spending enough on public information. The dissemination of propaganda has been the greatest part of the enemy's activities. The greatest victories achieved by Hitler have come about through the disintegration of morale and opinion in the various countries in which he intended to wage war afterwards. To combat this, it is necessary to spend money. It must be fought by our own bureau of information; and, although the word is not usually popular, we must use propaganda in order to destroy the evil work of the agents of our enemies.

Let us end discussions and contests on small questions and discuss the larger ones. Let us not have our perspective obscured by smaller interests, thus being prevented from seeing the larger interests upon which the safety of the country depends.

Internal weakness brought about the fall of France; there is no doubt about it. We must try, therefore, to strengthen our hands against internal weakness and to do our best, every one of us, to keep our country strong.

I was referring to what was being said. Sometimes extracts from certain writings in my province are translated and published in the English-speaking provinces, and sometimes extracts from newspapers in the English-speaking provinces are translated and published in my own province, just to create trouble and difficulties. But the bad things that are published in the English-speaking provinces, I tell my friends in my province, do not represent the views of the English-speaking electors of Canada; and I ask my good friends from Ontario and the other provinces not to believe that certain things they may read are an expression of the views of patriotic Quebec.

Pestilential microbes and animals do not prevent nature and the world from being a work of beauty. Last week I completed thirty-seven years in this House of Commons, and at the beginning of my thirty-eighth year I pledge myself to employ the years which remain to me in fighting any diabolical conspiracy of malicious, narrow and despicable microbes, whenever and wherever they may be found, in order that they may not defile the work of beauty that is Canada.

Another word and I shall conclude my remarks. I want to say a word of admiration for Britain. We admire Britain; the world admires Britain. We admire the British army, the British air force, the British navy; but, above all, our admiration goes out to the millions of common, long-suffering men, women and children, exposed by their own free choice to mutilation and death, who could end the war by surrender if they brought pressure to bear on their government but who courageously refuse to do so. Mr. Speaker, such a nation is a great nation. Such a nation cannot die. Such a nation cannot lose. To be the associates, to be fellow-citizens in a great commonwealth of such a people is the proudest honour that could come to any country in the world. Yes; in all our activities and our sacrifices for freedom we will endeavour to be worthy of that splendid people and that great nation, and we will not fail her in her hour of trial.

Mr. KARL K. HOMUTH (Waterloo South): Mr. Speaker, it was not my intention to take part in this debate; but in view of the latitude that is given on the motion to go into committee of supply, I feel that some matters require a little discussion. Since the house adjourned last December, many things have happened which have pretty well changed the complexion of the whole situation in Canada. From one end of the country to the other, newspapers, public gatherings and public speakers apparently have changed their general attitude, so that to-day they are criticizing not only the government's war effort but also many other things the government have done. If those criticisms emanated only from Conservative newspapers or Conservative speakers, one could put them down immediately as political propaganda, but such is not the case. Some of the most vitriolic attacks on the government have come from former friends of the government, from newspapers which a few months ago were very friendly indeed.

I am not, however, particularly concerned about the attitude of the newspapers. During the last election campaign many of them could not say enough partisan things in favour of the government. They have now changed their tone, and to-day from one end of the country to the other the newspapers are demanding national government. Why they have changed their attitude I do not know, nor am I very much concerned about it. But I do resent, with all the strength at my command, the fact that these same public speakers, these same newspapers, these same public gatherings that are belittling the government's attitude and its war effort, turn to the opposition and say, "Oh, they are just as bad as the government."

Let us go back to the start of the war. The leader of the opposition of that time pledged the cooperation of this party to the government. We said that in every possible way we would assist the government in its war effort, and we endeavoured to do so. If we offered any criticism it was not because of what the government was doing but because we did not think it was doing enough. We followed that policy during the last campaign. Weeks went by. Statement after statement was made by members of the ministry. We accepted those statements as facts; we took them as the truth concerning the efforts being made by the government in connection with the war. But as months went by and the truth concerning those efforts came to our attention, we began to realize that a great many of those efforts existed in the minds of the ministers or on paper, and had never come to fruition.

After all, if there is any criticism of the government to-day, it is because they have honestly erred, because they have failed to be frank with the members of this house and take them into their confidence. We promised our cooperation. The government never took advantage of that promise except to read in this house statements that later were shown not to be in accordance with the facts. So I say, if there is criticism of the government, it is purely because they have failed to be frank both with the members of this house and with the people of Canada. Time after time we have listened to radio broadcasts asking the people to face the facts. The people are quite prepared to face the facts if they are told the facts; but if you hide the facts from the people, only one thing can happen: suspicion grows and rumours become so rampant in the country that everyone begins to suspect the sincerity of the government in its war effort. If the government wish to carry on in that way, that is their business. If they refuse to give us the facts that we are entitled to, they must take the responsibility for so doing. As far as we are concerned, however, we resent the attacks that have been made on the opposition, because we promised cooperation with this government. This is the first opportunity we have had to get information from the government, and the position of this opposition is that we are going to get the information regarding our war effort if we have to sit here until Christmas.

Time after time discussions have arisen in this house and ministers have passed it off. At times they have shown a very short temper. Private members have yelled "sabotage" and other words because we dared to criticize the government. Those things are not going to frighten the members of the opposition; we are going to play our part in this war. The cooperation we have promised has been

studiously ignored by the government; now we are going to play our part. We have as much at stake in this war as they have; our children, everything we own is at stake as well as that of the members of the government. From now on we are going to play our part, just as big a part as the government, and we are going to force the government to give us the information they have repeatedly denied us. It is the lack of frankness on the part of the government that has brought so much criticism down upon their heads, criticism that is in some measure well deserved.

The people of Canada are not expecting members of the government to be supermen; they are not looking for supermen in the House of Commons; they know we are all human. We represent certain ideals, certain policies; but there is not a man in this house who is not concerned to-day about one thing, namely the carrying on of this war to a successful conclusion. If the government, instead of concealing the mistakes they have made, would be honest with the people of Canada, admit they have made mistakes and have as far as possible rectified them, and are carrying on to the full extent of their ability, how much more confidence the people would have in the government. Mistakes have been made; no matter what government was in power, mistakes would be made; but at least let them take the people of the country into their confidence, admit these mistakes, and then the people would feel that at least we have on the government benches men who are trying to do their part.

I have said this on the floor of the house before. I ran as a national government candidate; I believe in it; I still believe in it. But the Liberals were elected; very well, that is the voice of the people. If the Liberals are going to carry on as a Liberal government, let them do so; I have no objection to it. But what we are asking them to do is to carry on this war and fight it, whether they be Liberals, national government, or whatever it may be.

On several occasions we have criticized members of the government because of things we knew were happening in the administration of their departments, particularly in relation to the war effort. Statements have been made by the ministers, statements which we find to-day were not according to facts. The ministers may have thought that what they stated might happen, but thinking is not good enough when even the shores of Canada are menaced. As a result of the attitude of the government, the only thing we can do is to bring publicly to their attention and to the attention of the people of this country the facts, so that perhaps they in turn can stir the government and bring out the true facts of the situation as far as our war effort is concerned.

Let us go back to the statement made by the right hon. Minister of Justice (Mr. Lapointe) that the war policies of the government were submitted to the people last March. I take issue with him on that. Who can forget the first broadcast that the Prime Minister (Mr. Mackenzie King) made then; he did not speak of national government except to associate it with the union government of the last war, and in a very subtle way, as only the Prime Minister of Canada knows how to do; he raised the bogy of conscription. He raised that bogy in his first speech. No one can deny that one of the biggest issues in that election was the issue of conscription.

Then the government was reelected to power with an overwhelming majority, and to-day we have conscription. To-day conscription is the law of Canada.

Some hon. MEMBERS: No, no.

Mr. HOMUTH: Modify it as you like, but let us face the facts. Let us have some courage in this matter. We never question the courage of the men in our air force or army or navy, but we expect courage also from the men back home, and particularly from the men who are sitting in this House of Commons; courage to face the facts, courage to do those things that they think are right, and we expect them to direct Canada's utmost efforts to the winning of this war. If the members of the government, and if the private members of the government party—because, after all, they are a force to contend with—show the courage they ought to show, there will be no difficulty as far as an all-out effort in this war is concerned.

Last fall we met here and time after time we questioned the Minister of National Defence (Mr. Ralston) and the Minister of Munitions and Supply (Mr. Howe) as to the production of Bren guns. They either gave an evasive answer, or refused to answer, or said that which did not satisfy the opposition.

Mr. RALSTON: If my hon. friend will permit me, the answer I gave him was that I did not consider it in the public interest to make public the number of Bren guns being produced, but I did give to his leader, as I did to the leaders of the other groups in the house, an exact statement of the number produced.

Mr. HOMUTH: The Minister of National Defence made a statement that we were

producing ahead of schedule. I disputed that statement; I dispute it now; I am not going into the details now, but I dispute it. I dispute it because of evidence that certain members of the government who acted as counsel for the government before the public accounts committee tried to bring out before that committee. But what I am getting at is that while we were discussing this question and questions were being asked of this government, at the same time the contract was being revamped, a new contract was being made, and no member of the government, not even the Prime Minister, was frank enough with hon. members to state that they were making a new Bren gun contract.

Are we simply pawns in this game? Have we no place in this house? Have we no responsibility?

Mr. RALSTON: Will my hon. friend permit me again? I do not know where my hon. friend gets his facts; I understand that the new Bren gun contract was made in November of this year.

Mr. HOMUTH: It was made in October.

Mr. HOWE: November 29 is the date of the contract.

Mr. RALSTON: And I think this house was sitting in July.

Mr. HOMUTH: The house was sitting in November and December.

Mr. RALSTON: I was not giving my hon. friend information with regard to Bren guns.

Mr. HOMUTH: I am talking not about the minister, but about the ministers generally; one is as much to blame as another. The contract was dated October 31; I have a copy here. I am not complaining about it. Every hon. member who knows what a terrible contract the first one was, is pleased to think that a new contract was made. But when the new contract was made, the former Minister of National Defence, who was Minister of National Defence when the former contract was negotiated, made a statement to the press. This information was not given to the members of the house in spite of the fact that the Bren gun contract and Bren gun production had been mentioned many times. This contract was negotiated and signed while the house was in session.

Then the newspapers broke the story in January. After the story had broken, the former Minister of National Defence gave a statement to the papers to the effect that the old Bren gun contract had been cancelled. The present Minister of Pensions and National Health (Mr. Mackenzie), who was Minister of National Defence at the time the old contract was negotiated, promptly issued a statement denying pointblank that the new contract was a termination of the old. On the contrary, he declared, the government was so pleased with the results of the old contract, that the new contract was a tremendous enlargement of the old arrangement.

That is not the fact. There is practically no similarity between the old contract and the new. The second clause of the new contract for Bren guns negotiated between the government of Canada and the John Inglis company provided for a price and conditions which will prove a tremendous saving to the Canadian government. Further along in the contract it is shown where all the profits accruing to the John Inglis company must be turned back to the government. The contract was different from its very inception. Instead of retaining the tremendous profits they would have earned under the old contract, the John Inglis company is now to be paid a fee for the production of Bren guns. This will mean a tremendous saving to this country.

I mention this not because I and every hon. member of this house are not pleased with the new contract; I am simply drawing attention to the lack of frankness on the part of the government. The government have refused to take the members of the opposition into their confidence. They have refused to trust us with matters that should be made public. If they would change their tactics, they would not only enhance their position, they would increase the confidence of the people of Canada in the government. I could go on to recite promise after promise which have been made by the Minister of Munitions and Supply to produce various things, and which have not been fulfilled.

What is wrong with Federal Aircraft? I do not know, and apparently the members of the government do not know. One has only to read the report of a speech delivered by the Minister of National Defence for Air (Mr. Power) before the lumbermen's convention in Montreal, where he is reported to have said:

> In some training schools three advanced training planes were doing the work of four because there had been delays in the Canadian production of these planes.
>
> "Unfortunately, I don't know why it has not been possible to produce these planes on schedule and I am not in a position to judge the delays," he said. But one exasperated officer had told him the other day: "There are some manufacturers who are either damn fools or damn liars."

Apparently he does not know, but some officer places the responsibility upon the manu-

facturers of this country. Surely the time has come when the house should be taken into the confidence of the government. In view of the feeling which prevails across the country with regard to Federal Aircraft, one of the first things to which this house was entitled was a statement from the Minister of Munitions and Supply or the Minister of National Defence for Air explaining fully what was wrong with the aircraft production of this country and showing how plans had been made to see that the production promised by the minister was accomplished.

Yesterday the people of Canada had the opportunity of listening to Lord Beaverbrook. His was a speech that inspired every one who heard it, but it was a speech which placed upon us certain responsibilities and which showed us where our responsibility lay. He referred to the northwest passage and mentioned the danger that lay in that direction. He spoke of the protection of these islands and what was needed. He referred to the ships that were required in order to replace the tonnage that had been and would be lost. In other words, he referred to the submarine warfare.

In November of last year this government gave a contract to the Midland shipbuilding yards for the building of submarine chasers. What happened? A certain type of hardwood timber was needed for the bottoms of those submarine chasers. I do not know whether this was a cost-plus contract, but from the manœuvring that has been going on I would say that it is. The contract for those timbers was given to a dealer in Toronto, but not a man who owned a mill. They did not go to the big sawmills of this country, or even to the small sawmills, to obtain the timber; they went to this dealer in Toronto. That dealer went to another dealer to get the timbers. That dealer in turn went to a man in my riding who was a milk peddler two years ago. He was asked to produce the timbers so he went out and bought a hardwood bush and hauled the logs into Preston, my own home town, and had them sawn into timbers to be used in building the submarine chasers in Midland. Half the logs were too small and would not produce timber of a sufficient size, so it was rejected. If my information is correct, and I have no reason to doubt it, they still have not sufficient timber to lay the first submarine chaser frame in Midland. If there is no supervision of these contracts, and if they are cost-plus contracts, then I can understand how such things can happen.

To-day the Minister of Finance (Mr. Ilsley) told us how the people had responded to the war savings certificates campaign. I can tell the house how pleased we were in the riding of Waterloo South at the response which has been made. In that riding the people bettered their quota. They subscribed to this campaign because they are anxious to do something to help win this war. They feel that this is the one way in which they can help. While the minister is appealing to the people of Canada to pull in their belts, to save their money and to do without many of the things which they have been doing without for years and which they thought they might have an opportunity of having, a contract like this is let.

The thing is passed from pillar to post. Do hon. members think the first dealer was going to carry out his part for nothing? Do hon. members think the second dealer was going to act for nothing? Do hon. members think the third dealer was going to work for nothing? One of the main troubles in the whole set-up of our war effort is the fact that so many of these contracts have been sublet and profits have accrued to those who sublet contracts without their being earned.

We are in this war. We members of the opposition are just as enthusiastic as any other members of this house or as any other group of men or women in this country. We are willing to help this government. We want to do everything we possibly can to help the government in their war effort. But we ask them to be frank with us. We ask them to be honest with us. We ask them to be big enough to admit their mistakes and to show us that they are rectifying them. If they will do that, they need have no fear at all as to the response the people of Canada will make.

The people of Canada can take it. They have taken it before. There are not many homes in this country which did not suffer as a result of the last war. Before this war is over, there will be very few homes which will not have loved ones in the fight. We are all in it as far as we can go. If we cannot have a national government, if we are going to continue to have a Liberal government, let us at least have a fighting government that will make an all-out effort to carry our cause to victory. We are willing to cooperate with the government and to play the game, but we do ask the government to be honest with us and tell us frankly the things they should have told us a long time ago.

Hon. C. D. HOWE (Minister of Munitions and Supply): Mr. Speaker, I had not intended to take part in this debate, and I wish to say at once that a debate on external affairs is not an appropriate occasion to raise the matters referred to by the last speaker (Mr. Homuth).

Mr. HANSON (York-Sunbury): The motion is to go into supply, and on such a motion one may discuss anything.

Mr. HOWE: I had intended to speak at the first opportunity when the war appropriation bill came up for discussion, and I still intend to do so. I shall then discuss fully the production of aircraft in this country and expose the outrageous campaign that is being waged against Federal Aircraft. Never before in my experience as a citizen of Canada have I seen such a deliberate campaign of misrepresentation with regard to a situation which has been reported on by the highest authorities in the industry, whose reports I intend to lay before the house regardless of the fact that in doing so I shall have to give a frank statement of production figures. While it is against the policy of the government to divulge these figures, a situation has developed that, I believe, warrants me in giving the figures, as far as aircraft are concerned. I do not intend to waste time this evening on the situation discussed by my hon. friend, except to say one word regarding the purchase of timber for mine sweepers at Midland.

These contracts are let as a lump-sum contract, a firm contract. The price is established after studying costs in all parts of Canada, and all builders of mine sweepers accept the same price. It is quite obvious that if what my hon. friend the member for Waterloo South (Mr. Homuth) says is true, the operators of the Midland yard have not his great capacity and buying skill, because he could buy the timber very much better. That is their misfortune, and the loss must come out of their pockets. I think, however, that transaction, running into a few hundred dollars, is hardly worth wasting more of the time of the house in discussing.

What I wish to discuss to-night is the Bren gun contract. The position of the Bren gun contract is just this. Before the war, the government decided that it was in the interests of defence to establish the production of Bren guns in this country. I shall not go into the background of the contract. A contract was entered into with the John Inglis company for the production of 12,000 Bren guns, 7,000 for the account of the Dominion of Canada, and 5,000 for the account of Great Britain. Production was to be at the rate of roughly 5,000 guns a year.

That contract became a great political issue. I was not associated with the war department at that time; but having had considerable experience with contracts, I made a study of the Inglis contract, and took it upon myself to rise in the house to speak in defence of it. In my opinion, as I expressed it at the time, it was an eminently fair contract, and I have had no reason whatever to change that opinion.

Bren gun production proceeded according to contract. The result was that when a large demand for guns arose as the war proceeded, the Inglis plant had developed a technique for the manufacture of automatic guns which gave it a particular standing in this field. A great demand for automatic guns developed in both Canada and Britain, and increased numbers of Bren guns were required. Canada was the only country outside the British isles that was producing Bren guns, and I must say, in spite of the eulogies we have heard of production in Australia to-day, that that is just as true to-day as it has been at any time since the war started.

We were called on by Great Britain to increase our production of Bren guns for British account, and by our own defence department to increase our supply of Bren guns for Canadian account. In addition, we were asked to undertake the production of other types of automatic guns, the Colt-Browning aircraft gun, the Browning tank gun, the Boys anti-tank gun—all automatic guns, the technique of building which was the same as had been developed by the Inglis company in the manufacture of Bren guns.

True, we have placed contracts for automatic guns with other firms, but in every case we were faced with the position that the Inglis company had the technique which they had perfected in building automatic guns. They had the trained staff necessary to carry on the work, and they could get into production of a new type of automatic gun from six to eight months sooner than any other firm which had to start from the beginning. What has been the result? Instead of a production of 5,000 Bren guns per annum as contemplated in the first contract, we have to-day a production under contract with the Inglis plant of 97,500 guns per annum.

Mr. HANSON (York-Sunbury): Will the minister say whether that is what the contract calls for, or whether that is the production—97,000? Surely the minister does not mean that. You do not mean you are producing 97,000.

Mr. HOWE: I said that the Inglis company had contracts for that amount. I said that the first contract called for 5,000 guns per annum, and the present contract calls in total for 97,500 guns per annum.

Mr. HANSON (York-Sunbury): Not 9,700?

Mr. HOWE: No, nineteen and a half times as much as the original contract, which is 97,500 guns per annum.

What is the position of the first contract? The first contract was to be carried out in the plant owned by the John Inglis company. It is true the government was to furnish certain machinery which would remain the property of the government; nevertheless in the first contract the Inglis company contributed the plant. As time went on the situation changed and the Inglis company was not disposed to furnish the plant for the balance of this work. The result was that we began to build plants, government property owned by the government, to be operated by the Inglis company.

Mr. MacNICOL: Adjacent to the Inglis plant?

Mr. HOWE: Nearby on other property, which was owned at that time by the Canadian National Railways. We built one other plant on the Inglis property itself, and we are building very large plants adjacent to it, across the railroad tracks on property owned by the crown in the name of the Canadian National Railways. Those plants we own lock, stock and barrel. The layout was made by the Inglis company, and the Inglis company designed and supervised the construction of those plants. Would any hon. member suggest that an expansion such as that would be covered by a contractual relation entered into for the production of 5,000 guns per annum? I wonder what would have been the attitude of the opposition had we carried on the original contract to cover changed circumstances such as that. Obviously, what was required for the new operation was a management-type contract, a contract such as we have also in a great many places where the government builds what is in fact a government arsenal and enters into a contract with a private firm to exercise its skill and managing ability in operating that plant for the government.

The result is that we entered into a contract with the Inglis company for the new work, as was always contemplated and always understood, on a management fee basis, that is, a fee representing about three per cent of the cost of the equipment to be produced in those government arsenals. What did we find as time went on? We had the great bulk of the work of the Inglis company under a management fee basis, and the original plant under the original contract, and obviously it was very difficult for government accountants to separate the two contracts. The work was going on in one plant under one contract, and in another building, under a separate contract. Material was coming in from the outside and being used, some in one plant and some in the other. Under the circumstances it seemed common sense to make a blanket contract to include all the Inglis operation and to level off on one contractual relation.

Mr. HANSON (York-Sunbury): You made a new contract and wiped the other one out, and I think you did right.

Mr. HOWE: Certainly.

Mr. HOMUTH: Why did you not tell the house, then?

Mr. HOWE: I will explain that.

Mr. CASSELMAN (Grenville-Dundas): How much money did the government have in the Inglis company before the contract was taken over?

Mr. HOWE: Let us not worry about that. No expenditure was made without an order in council and a memorandum of agreement. Well, we have reached this point: the leader of the opposition says that we were right in making the contract.

Mr. HANSON (York-Sunbury): A new contract.

Mr. HOWE: What about the terms of the new contract? We said, "We want to get something definite in this. We know what your guns are costing. We know what Bren guns are being purchased for in the United States. We have a fair idea of what a reasonable cost for Bren guns is. We will figure out three per cent of that cost, based on the United States price, and we will fix the profit, not as percentage of the cost of producing Bren guns, but as so many dollars per gun, representing three per cent of what we believe to be a fair price. If you can turn out guns faster than the contract, that suits us very well, and you will make more money. If you can cheapen the cost, as we believe and hope you can, you will obtain perhaps a little more than three per cent, but certainly not more than four per cent." There was more profit advantage to the company in cutting the cost of the gun. I doubt if any man will read the Bren gun contract as now drawn and say that it is not a good one.

Mr. HANSON (York-Sunbury): Nobody has criticized the present contract. What we do criticize is the secrecy which surrounded the whole matter while the house was in session.

Mr. HOWE: I am just coming to that.

Mr. McGREGOR: What is the price per gun?

Mr. HOWE: Will my hon. friend sit down? This is not a committee. We have agreed

that a contract must be drawn, that we must have a new contract. And we agree that an equitable contract has been drawn. That seems to be settled.

What about the manner of announcement? I suppose that in the Department of Munitions and Supply we draw at least three thousand contracts a month. Many of them run into very large figures. It is done as a matter of routine. We have a large staff of solicitors that do that work. So far as I can remember, no contract has ever been announced in this house or to the press. I have never known it to be done. We have arrangements so that automatically, when a contract is awarded, an announcement is made; and if my hon. friends opposite will check back through the books which we distribute every month, and press notices which have been made from time to time in our department, they will find that every addition to the Bren gun plant, every new type of production, and the value of every contract, have been announced. That is all we do in the ordinary routine, and there was no reason why we should depart from it.

It is true that this was a large contract, but we have entered into a good many larger contracts. It was handled in exactly the way in which all contracts are handled in the Department of Munitions and Supply. Surely my hon. friends would not suggest that we publish the details of every contract we make. In the first place, no newspaper would print it. The press would get tired of it after a while. In the second place, it is not desirable, in dealing with private firms, to publish the details of contracts. The information can be of use only to the competitors of the firms in an attempt to "scrooge out" a better deal with the department for a similar type of product. So we do not make any public statement. How did this get published? I will tell my hon. friends that. They may as well have the whole story.

As some of you may have read in the press, I went to England.

An hon. MEMBER: With difficulty.

Mr. HOWE: A day or two after I left Canada, and before, I may say, the acting minister had really got his feet on the floor in my office, a reporter came in with a letter written by, I believe, Mr. Clifford Sifton to his Ottawa correspondent. It contained some rather extraordinary statements about what he understood to be the new Bren gun contract. My secretary, although I think he is as capable a private secretary as there is in Ottawa, used, I must say, exceedingly bad judgment on that occasion.

Mr. HANSON (York-Sunbury): I would not put it on him. That is hardly cricket.

Mr. HOWE: There is nobody else to blame, because, as I think he would tell you, he did it all himself. It became a matter of public interest when a newspaper asked for it. Instead, however, of making a press statement on it, he prepared a statement which he handed only to the reporter in question. The result was that, instead of the statement being distributed to all the press of Canada, it appeared in only two Canadian newspapers—which naturally annoyed the rest of the press. Those are the facts. That is not according to the routine of the department; it is one of those things which happen, and which I do not think anyone can explain, but I am taking the house into my confidence and telling them exactly what occurred.

So much for the announcement. We now come to the question of the effect of the comment. In the John Inglis company we have the largest plant in the British empire for the manufacture of automatic guns. I am not certain that it is not the largest in the world; I know of none larger. This plant has come on amazingly. A great many hon. members have been through it. I doubt whether anywhere in the British empire there is a more efficient operation in the manufacture of any type of gun. What has been the effect of the comment? I have a file from the John Inglis company themselves, showing the effect it has had on the morale of their works, on loss of production, and on the disturbance of their staff.

Mr. HANSON (York-Sunbury): On what?

Mr. HOWE: On the disturbance of the morale of their operating staff; that is, their foremen and superintendents.

Mr. HANSON (York-Sunbury): Is the minister speaking of the cost? I did not catch what he said.

Mr. HOWE: I am saying what has been the effect of the propaganda that went out, of that action by the press.

Mr. HANSON (York-Sunbury): Of the announcement?

Mr. HOWE: The attack that was made. It was not the announcement. The announcement stated the facts. Here are some of the headlines:

Drew states millions to be saved for public by Bren contract veto.

Mr. HANSON (York-Sunbury): That is probably true.

Mr. HOWE: Millions?

Mr. HANSON (York-Sunbury): Probably.

Mr. HOWE: The original contract was for 12,000 guns. It would be hard to make millions out of that. Another:

Says government taking over war production in John Inglis plant vindicates him—

George Drew. Mark that.

Mr. HOMUTH: It did not vindicate the government.

Mr. HOWE: I doubt if it vindicated George Drew.

Mr. HANSON (York-Sunbury): That is a matter of opinion.

Mr. HOWE: I suppose it is; yes. To continue:

Which would otherwise have gone to a group of ambitious promoters who saw an opportunity to capitalize upon Canada's need for weapons.

We have a fine lot of statements there. I doubt if anyone would suggest that, while the brief I have before me may tend to exaggerate the harmful effects, such talk could be helpful to the production of the Inglis plant. What is the object of this sort of talk? What is behind it? Nothing but political kudos. My hon. friend rises in his place on a motion to go into supply on the estimates of the Department of External Affairs and talks politics about the Bren gun contract. Is that statesmanship? He says that so far as he is concerned the opposition will do its duty.

Mr. HOMUTH: Do yours.

Mr. HOWE: I am doing it. I am trying to protect the war production of this country. I am trying to stop attacks upon Bren gun production, and I am exposing the type of situation that we have so far as this discussion is concerned.

I do not know that I am called upon at this time to say anything further, but I do hope to take occasion in the next debate to discuss fully the aeroplane production situation in this country and to deal with some other phases of the war work. It seems to me unfortunate that statements are going unchallenged for the reason that no one has a chance to answer them at the time they are made. The leader of the opposition (Mr. Hanson) makes a statement attacking production of aeroplanes in this country.

Mr. HANSON (York-Sunbury): No, I did not. I asked the minister to make a statement explaining the lack of production.

Mr. HOWE: Yes; but he gave a press release which was the most extraordinary and misleading document ever produced in or out of this house and which I intend to deal with fully at the next opportunity. I do conceive it to be my duty to try to stop these malicious attacks on the John Inglis company in consequence of their contractual relations with this government, and I sincerely hope that these remarks of mine will have that effect.

Mr. BROOKS: I wanted to ask the minister a question for information. In that 97,000 Bren guns—

Mr. HOWE: I did not say Bren guns. I said automatic guns.

Mr. BROOKS: Are there any included for the British government?

Mr. HOWE: Yes.

Mr. BROOKS: How many are being manufactured for the British government?

Mr. HOWE: I would say about two-thirds for the British government and one-third, Canadian.

Mr. BROOKS: What is the increase in Bren gun production?

Mr. HOWE: This is not committee. My hon. friend will have an opportunity to ask these questions.

Mr. BROOKS: I did not wish to embarrass the minister. I was asking for information.

Hon. H. A. BRUCE (Parkdale): I wish to speak for only a moment or two, and perhaps this is an appropriate time to try to pour a little oil on troubled waters. May I get back again to what I thought was the subject before us, external affairs.

Some months ago I suggested that it would be well for the Prime Minister (Mr. Mackenzie King) and the government to consider the appointment of an overseas Minister of National Defence. I do not hope to make any great impression on the Prime Minister's mind by anything that I may say, but I would call his attention to a statement made when the Minister of Overseas Military Forces, as I believe he was called at that time, was appointed in 1916. The powers of the minister were defined by the Prime Minister and are condensed in the Canadian annual review as follows:

1. He was charged with the control of and was responsible for the administration of the affairs of the military forces of Canada in the United Kingdom and on the continent of Europe; the ordnance, arms, ammunition, armouries, stores, munitions and habiliments of war belonging to Canada in those countries; all expenditure incurred in the United Kingdom or elsewhere in Europe for or in respect of these forces.

2. He was given power in urgent matters to act provisionally without reference to the Canadian government.

3. He was charged with the negotiations on the part of the government of Canada with his majesty's government, in all matters connected with the government, command and disposition of the overseas forces of Canada and arrangements for coordinating their operations and services with those of his majesty's troops.

4. He was given power to appoint and pay the necessary officers and clerks and to create an advisory council.

I submit that if a minister, having these powers vested in him, were sent overseas, he would relieve the government here, and particularly the Minister of National Defence (Mr. Ralston), of a great deal of routine work and would enable him to carry on more effectively the work for which he is responsible in Canada.

With reference to what the Prime Minister has said about the duty which is now being performed by the Canadian high commissioner, I share his admiration for the excellent qualities of Mr. Vincent Massey, who, in my opinion, is doing a splendid job in England; and I should like to refer to something which perhaps does not appeal to the Prime Minister as much as it does to me, for the reason that, from his habits of life, he is not so well acquainted with the matter. I refer to the excellent work that Mrs. Massey is doing in war services in England. I think, therefore, we are very fortunate in the occupant of that post, and in the fact that his wife is so capable of carrying on the many duties which now are imposed upon her.

In 1916, Sir George Perley was acting high commissioner in England. The government of Sir Robert Borden must have thought it would be an advantage to have an overseas minister who was a member of the Canadian cabinet, who could take certain responsibilities on the spot and act promptly, because he asked Sir George Perley if he would assume that duty. So in October of 1916 Sir George was appointed Minister of Overseas Military Forces for Canada, in which capacity he carried on for one year. I think during that time someone else acted as high commissioner, but at any rate Sir George gave up his new position only when another appointment was made and Sir Edward Kemp became overseas minister, after which Sir George resumed his post as high commissioner. I am quite sure that if Mr. Vincent Massey were a member of the cabinet, he would be able to carry out these duties admirably, although I presume he could not act as overseas minister without being a member of the cabinet.

I do not wish to elaborate further on that subject. In conclusion, I should like to quote a statement made by the younger Pitt on July 22, 1803. At that time, as hon. members will remember, England was at war with France; and if you substitute the name Hitler for that of Bonaparte, and Germany for France, you will see the striking way in which this statement applies to what is going on to-day.

I am certainly not denying that the enemy would find great difficulty and danger in transporting his army to this country, but it is by running desperate risks that he can alone hope for success. We may have a proud navy of ships of the line and frigates. . . . But I can conceive a case in which ships of that kind would not be sufficient to meet an innumerable flotilla of boats issuing from all the ports, harbours, and creeks on the opposite coast of France, and covering the channel for several miles in length. . . . Englishmen must look to this as a species of contest from which, by the extraordinary favour of divine Providence, we have been for a long series of years exempted. We ought to have a due sense of the magnitude of the danger with which we are threatened; we ought to meet it in that temper of mind which produces just confidence, which neither despises nor dreads the enemy; and while on the one hand we accurately estimate the dangers with which we are threatened at this awful crisis, we must recollect on the other hand what it is we have at stake, what it is we have to contend for. It is for our property, it is for our liberty, it is for our independence, nay, for our existence as a nation, it is for our character, it is for our very name as Englishmen, it is for everything dear and valuable to man on this side of the grave.

Parliament has now provided ample means for our defence; it remains for the executive government to employ them to the best advantage . . . If government showed the same determination to apply all those means that parliament has shown in providing them; if the people follow up the example which the legislature has set them, we are safe. Then I may say, without being too sanguine, that the result of this great contest will ensure the permanent security, the eternal glory of this country; that it will terminate in the confusion, the dismay, and the shame of our vaunting enemy; that it will afford the means of animating the spirits, of rousing the courage, of breaking the lethargy, of the surrounding nations of Europe; and I trust if a fugitive French army should reach its own shores after being driven from our coasts, it will find the people of Europe reviving in spirits, and anxious to retaliate upon France all the wrongs, all the oppressions, they have suffered from her; and that we shall at length see that wicked fabric destroyed which was raised upon the prostitution of liberty, which has caused more miseries, more horrors to France and to the surrounding nations, than are to be paralleled in any part of the annals of mankind.

Mr. D. KING HAZEN (St. John-Albert): Mr. Speaker, during the course of his speech this evening the Minister of Justice (Mr. Lapointe) informed us that the view had been expressed that we should change the complexion of the government. That was not news. That view has been expressed on many occasions, and apparently it is gaining support. Evidently that opinion is causing some

concern to the Minister of Justice and some other members of the government; for the minister devoted the greater part of a speech lasting almost an hour to reasons why we should not have a non-party, a union or a national government in this country to-day. His chief argument was not new; the Prime Minister (Mr. Mackenzie King) advanced the same argument here some months ago, that the Liberal party was returned to power by a large majority in March of last year.

Mr. GRANT: He was right.

Mr. HAZEN: He was correct in that statement, but he failed to take account of the fact that the whole face of the world has been changed since last March and that the people of this country face sacrifices and responsibilities they never believed they would have to face when that election was held.

On a number of occasions it has been pointed out in this house that party government is having a bad effect on our war effort. It has been stated that under the party form of government it has been impossible to control the political machine, to keep in check strong partisan party followers, and that, in consequence, political patronage, political pull and political favouritism continue. As a result, in many parts of this country to-day there is dissatisfaction and ill-feeling instead of confidence and unity.

A glaring example of political patronage and partisanship may be found in the manner in which the government proposes to conduct the census this year, at a cost of $2,800,000. This undertaking is not to be conducted on a non-partisan basis. The workers employed to take that census, the men and women, will be employed on the recommendation of supporters of the government and of defeated candidates in the last election.

Mr. CRUICKSHANK: In what riding?

Mr. HAZEN: This policy cannot be justified in war time, and I would ask the government to reconsider any decision of that kind.

It is, however, not of the internal affairs of party government that I want to speak to-night, but rather of one phase of its external affairs which has been forcibly brought to my attention by a letter which I have just received, which leads me to the conclusion that party government, in one respect at least, is having a bad effect outside Canada.

This letter came from an active official in one of the largest and best known associations of young women in the United States, and had enclosed in it a clipping from one of New York's influential papers. That clipping, which was dated Ottawa, February 15, contained a report of the criticism of the government's efforts that the hon. leader of the opposition (Mr. Hanson) made in this house on Wednesday last. It was too brief an account to give a fair and accurate report of the able address made by the leader of the opposition on that occasion, but the reading of it by a citizen of the United States who did not know what was going on in this country would lead to the conclusion that Canada's war effort was futile and based solely on political expediency. We all know that such a conclusion is wrong, although there have been some cases perhaps of futility and more than one case of political partisanship.

The writer of this letter took exception to criticism of this kind appearing in the public press of the United States at a time when the friends of Britain in the United States were doing what they could to explain the need for and the importance of passing by the senate of the United States of the lease-lend bill No. 1776 that is now engaging its attention.

The writer said, and I think her words are put in rather diplomatic form:

> We are all doing what we can to contribute to the information which each individual here seeks to help him make up his own mind about the wisdom of the bill. The kind of sacrifice which Canada, a sovereign country, is making voluntarily for Great Britain is of great interest to everyone.

It was apparent from the letter that dispatches of this kind were hindering the efforts of our friends in the United States to further our cause there.

The policy of the opposition party, as stated by the leader of the opposition a number of months ago, is to give every possible support to the government in its war effort, reserving to itself the right of criticism. That policy the opposition party has followed consistently, according to its lights. Last May the Prime Minister, in the course of a speech in this house, said that the government expected criticism from the opposition.

Mr. CRUICKSHANK: Constructive criticism.

Mr. HAZEN: Criticism is one of the duties of the opposition. But a result of criticism under the party system, and that criticism being published abroad, is to harm the efforts of our friends in the United States who are working on our behalf—and I might say on their own behalf—and some aid is furnished to those who are attacking bill No. 1776 in the United States senate. This is something which should, if possible, be avoided. It seems to

me that this is another reason, and an important one, why we should have in this country some form of national or union government.

An hon. MEMBER: Does the hon. member want another election?

Mr. HAZEN: In this house and in this country we are united in our determination to bring this war to a victorious conclusion, and we should show a united front to the world in the form of a government which is representative of all parties in this house.

Mr. SPEAKER: Is the house ready for the question?

Mr. MACKENZIE KING: I have, I think, the right to close the debate.

Mr. HANSON (York-Sunbury): The right hon. gentleman did not open the debate.

Mr. MACKENZIE KING: Yes.

Mr. HANSON (York-Sunbury): No; the minister opened the debate by making the motion. The Prime Minister has already spoken. I have no objection to his speaking, but if we are to have order for one, we must have it for another.

Motion (Mr. Ilsley) agreed to, and the house went into committee of supply, Mr. Reid in the chair.

DEPARTMENT OF EXTERNAL AFFAIRS

36. Departmental administration, $220,800.

Mr. GREEN: Would the Prime Minister explain what steps have been taken by the government to assist Canadian citizens who may have been caught on the continent of Europe or who are at present in China or Japan or countries in the orient where there may be trouble?

Mr. MACKENZIE KING: In respect to citizens of Canada who are on the continent of Europe, we have in London at the present time, in addition to the high commissioner and officials of the high commissioner's office, our diplomatic representation which was formerly sent to France and to Holland and to Belgium. The chargé d'affaires of the former legations has taken such steps as he has found possible to get particulars of Canadian citizens who are in different parts of Europe, and to make representations in such ways as are possible to secure their exit to Canada or to London from the country in which they may be at the present time. We are endeavouring also to supply them with such financial assistance as they may require where that is essential toward securing their maintenance and exit.

The situation differs in different countries. As my hon. friend knows, of Canadian citizens who were in France, some are in the occupied area and some in the unoccupied area. No Canadian nationals have been interned in non-occupied France and arrangements are being made to provide facilities for the repatriation to Canada of individuals who desire to leave non-occupied France. Some difficulty has been encountered in securing exit permits. The chief difficulties are in securing transportation and permission to cross Spain. The number affected is, however, very small. The United States authorities in France, occupied and non-occupied, have been authorized to pay up to a maximum of $45 United States funds a month to Canadian nationals, depending upon their needs. No one may secure more, no matter how much his holdings in Canada may be. Recipients are required to sign receipts and pay the moneys advanced out of their accounts in Canada. In case of necessity the necessary funds are advanced if the recipient or his or her family is not financially able to provide for reimbursement. Approximately 60 individuals or families are affected.

Mr. HANSON (York-Sunbury): Has the government any knowledge of any Canadian nationals being interned in occupied France?

Mr. MACKENZIE KING: Canadian nationals, as well as other British subjects of military age who remained in German occupied France after the French collapse were interned by the German authorities. Approximately ninety men who are Canadian nationals have been interned near Paris. The next of kin have been informed so far as possible. By decree of December 5 the German authorities extended the internment order to include women and children who are British subjects, alleging that this action was taken in retaliation for the action of the British authorities in interning German women and children in England. The total number of British subjects so interned is approximately 3,000. They are interned at Caserne Vauban, not far from the Swiss border. We have not been able to ascertain how many Canadian women and children are included. The United States authorities who are looking after Canadian interests in France state that it is expected that the names of any Canadian women and children who have been interned will be notified to them, as the protecting power.

So far as Asia is concerned, some months ago the government notified Canadian nationals in Japan that it would be the part of wisdom for them to secure passage home. We were not at all certain that their leaving the country was imperative, but conditions were such as caused the government to feel it was advisable to make sure that as many as possible did leave Japan at as early a time

as possible, having regard to the time at which the notice was given to them. I have particulars with regard to the situation there.

Owing to the increased tension in the far east, continuous attention has been given to the problem affecting Canadian nationals in the event of the development of a serious crisis. As early as October, 1940, the Canadian legation in Tokyo was instructed to advise women, and children and others whose presence was not absolutely essential to leave as soon as possible. A further warning was issued on October 25. At that time it was suggested that all Canadians should consider the advisability of arranging for their early repatriation. A third warning was issued on February 6, 1941. Of the 543 Canadians known to be in the far east in August, 1940, exclusive of the legation staff at Tokyo and Japanese Canadians, a certain number have moved to safer areas. Approximately 200 have returned to Canada, and it is estimated that some 177 have remained in what might be considered the danger zone. I understand that most of the number that are remaining belong to religious orders. They have felt that they ought to stay at their posts regardless of what the situation might be.

Mr. GREEN: As yet no minister to Japan has been appointed, although the post has been vacant for some years. It does seem peculiar that an appointment has not been made. Will the Prime Minister explain to the committee the reason for this and will he state whether it is expected that an appointment will be made shortly?

Mr. MACKENZIE KING: We are fortunate in having as chargé d'affaires at Tokyo an exceptionally able member of the diplomatic service, Mr. McGreer. He has had experience in the legations at Paris and Washington, and in the department at Ottawa. He is one of the career men and is well qualified to fill the post of chargé d'affaires. He served under the former minister at Tokyo. From time to time the government has had different persons under consideration for this particular post. I may say that, since the war, there has been a great demand for persons who are prepared to give outstanding service in the different branches of the public service. Some of those who have been considered for the position of minister to Japan have taken on other work which they considered more urgent.

I might cite a particular case. I had in view the appointment of General Odlum as minister from Canada to Tokyo. General Odlum has taken an interest in oriental questions and is particularly well informed on the situation in British Columbia. I thought I had succeeded in having him accept that appointment. As, however, the committee knows, General Odlum has been appointed to command the second division overseas.

Other names have been considered, but special circumstances have made it difficult to secure the person who the government felt was most desirable for this position in Japan. We would wish to have someone with special qualifications. Just at this particular time it has not been possible to secure the person we would wish to have, all circumstances considered. If there had been any reason to assume that Canada's interests and the interests of our nationals who are in Japan were not being carefully looked after by the legation staff at the present time, some further appointment certainly would have been made. But we have every reason to feel that the interests of Canadian nationals and the interests of the government in relation to Japan are being carefully cared for at the present time.

Mr. HANSON (York-Sunbury): It would be a matter of public interest, I think, if, following up the discussion in respect of Canadian nationals, the Prime Minister would be good enough to tell us if he knows the number of Canadian nationals in Germany, Norway and in the low countries, so that we may get a true picture of just what the situation is.

Mr. MACKENZIE KING: I am sorry I cannot give my hon. friend that information.

Mr. HANSON (York-Sunbury): I suppose they are in with the British.

Mr. MACKENZIE KING: Yes.

Mr. NICHOLSON: I could not hear the Prime Minister's reply. Am I right in understanding that there are international regulations governing the treatment accorded to prisoners of war, and are there similar regulations governing the treatment to be accorded to Canadians who might be in Germany or in German-occupied countries? If so, has the Prime Minister any information as to the treatment that has been accorded to Canadians who are still in German-occupied territory?

Mr. MACKENZIE KING: My hon. friend is quite right in assuming that the treatment accorded to prisoners of war is subject to international convention. We in Canada are taking care to see that Germans who are interned here are treated properly, and we hope that Canadians who are interned in the countries of Europe are being similarly treated. If we had reason to believe that they were not being treated in accordance with international usage, every effort would be put forth to see that proper representations were made and the situation corrected so far as that was possible.

Mr. HANSON (York-Sunbury): There is provision in the convention, as I recall it, for a periodical inspection to be made of the internment camps in Britain, we will say, or Canada, by a representative of the other belligerents, and we have the same right to make a periodical inspection of our nationals who are internees or prisoners of war in Germany or German-occupied territory. Has Canada taken any steps to see that the terms of the convention are being carried out by Germany, or is that left to the British government or the government of the United States?

Mr. MACKENZIE KING: The work of supervision in that respect is carried out for Canada by United States representatives, and we get reports from them.

Mr. HANSON (York-Sunbury): That is a complete answer.

Mr. FRASER (Peterborough West): May I ask if appointments have been made of ambassadors to Brazil and the Argentine, and, if not, when they will be made?

Mr. MACKENZIE KING: This committee will be asked to consider an item of expenditure to make provision for legations in the Argentine and Brazil, but until financial provision has been made it would not be possible to make an appointment. I assume that there is little doubt that the house will approve the recommendation of the government to make provision for the appointment of ministers to the Argentine and to Brazil, but the appointments must await the appropriations by parliament.

Speaking of the representation of Canada in South America, the leader of the opposition (Mr. Hanson) this afternoon expressed a point of view which, it seems to me, will naturally present itself to many who are considering the question of the wider representation of Canada in other parts of the world. My hon. friend felt that this was perhaps not the best time to incur that increased expenditure. On the other hand, the hon. leader of the Cooperative Commonwealth Federation (Mr. Coldwell) expressed the contrary view and said that he felt that at this particular time it was very desirable that Canada should have representation in the south American countries. The two points of view afford opportunity for debate, and I can assure hon. members that both have been taken into consideration very carefully by the government.

One of the reasons why the government feel that it is desirable to open legations in Brazil and the Argentine is that for some time past each of those countries has been desirous of opening legations in Ottawa. They have felt that it was in the interests of their countries to come into closer contact with Canada. Their association with north America up to the present, so far as diplomatic representation is concerned, has been confined to the United States and Mexico, and they feel it would be to their advantage to be represented here.

Our government has precisely the same feeling about the representation of Canada in the two largest republics in south America, that this is a time when great changes are taking place in the world, that south America is likely from now on to have a much closer relationship in business affairs and in matters affecting government and the like with the continent of north America than she has ever had in the past. Unquestionably south American problems will become increasingly our problems as the situation in Europe comes to be changed for better or for worse in the course of the years now beginning, and the government feel that we owe it to the people of our country to be able to get first-hand knowledge of the changing situation in south America and that we should not leave that field, so far as relationships between countries are concerned, exclusively to other countries, leaving Canada the one country in this hemisphere with no diplomatic representation in south America.

There is the further point which I mentioned the other day, that all matters of trade are becoming increasingly matters with which governments must of necessity have some concern. My hon. friend the leader of the opposition said that he would like to see commercial agents keep more in touch with business men. When it comes to the import and export of commodities, licences have to be obtained and all kinds of controls are exercised. Unless the exporting country has some diplomatic agent in the other country who can make representations on its behalf, it is very likely to be completely ignored in international transactions of the kind. We have been fortunate in having wherever we felt we should make use of it the British diplomatic service, but just as we have found it to be to the advantage of Canada to have our own representation at Washington, Paris and elsewhere, so we believe we shall find it of equal advantage to have our own representation in south American countries.

Speaking on this matter, I should say that other Latin-American republics have pressed for an exchange of ministers with Canada. We have hitherto felt, and I think rightly, that we should begin our representation in south America in the two largest republics, and later on consider its extension to other countries of south America. I should speak perhaps of Chile in particular, but we have felt that until the two legations are opened

and we see what progress is made as a result, we should not for the present ask parliament to extend our representation.

Mr. MacNICOL: Will the Department of External Affairs have to consider educating our representatives in south American countries in the Spanish language, or will that be undertaken by our universities?

Mr. MACKENZIE KING: There is no doubt that we shall have to consider very carefully whatever appointments are made. We shall take care to see that whatever is required in the way of necessary Spanish assistance will be obtained in a manner that will be satisfactory to Canada.

Mr. HANSON (York-Sunbury): In view of the occupation of France and the low countries, would the minister say just where our representatives—Jean Désy, for instance—are at the present time?

Mr. MACKENZIE KING: As my hon. friend is aware, when Holland and Belgium were overrun, the minister and staffs at both Brussels and the Hague were obliged to leave, and indeed, only got away—

Mr. HANSON (York-Sunbury): By the skin of their teeth.

Mr. MACKENZIE KING: Yes; as my hon. friend says, pretty much by the skin of their teeth. Certainly they had a very rapid exit, and one filled with considerable adventure. The legation staffs, however, moved to London. Mr. Désy was the minister at the Hague and at Brussels. For some months he was in London. He has since come back to Canada, and was in Montreal for a short time making a very complete report to the government on some matters of which he thought we should be informed. At the present time he is in the Department of External Affairs in Ottawa, on special duty.

As my hon. friend is aware, Colonel Georges Vanier is the minister to France. The government felt that Colonel Vanier would be not only a most acceptable but a most desirable member of the permanent joint defence board between Canada and the United States, and we asked him to come to Canada and for the time being to accept appointment on that board. That is the position which Colonel Vanier is filling at the present time.

Mr. Dupuy was made chargé d'affaires when Colonel Vanier left. Mr. Dupuy has his headquarters in London. He has been to France, keeping in touch with the government there. Other members—

Mr. HANSON (York-Sunbury): I am not asking the Prime Minister to go into detail.

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: At the present time Mr. Dupuy is acting as chargé d'affaires of Canadian representation to the Netherlands and Belgian governments.

Mr. HANSON (York-Sunbury): I suppose that the decrease in these estimates is accounted for by the fact that the legations themselves are not functioning as such.

Mr. MACKENZIE KING: There has had to be a considerable readjustment. In some instances as much in the way of representation is not required.

Mr. CASSELMAN (Grenville-Dundas): I wonder whether the Prime Minister would mind making a statement respecting what progress, if any, has been made on the St. Lawrence treaty? This matter is of great interest to my constituency. In common with other representatives I have been endeavouring to get some information over a period of many weeks. As a matter of fact, within the last two months I was with a delegation before the Minister of Public Works (Mr. Cardin) here, when it was suggested to us that possibly we should go to Toronto for our information; I think the minister's words were that it was "a baby of the Ontario government". From what I see in the press I have come to the conclusion that possibly it is a baby of the United States government.

I am particularly interested because apparently the scheme which is now being discussed is one which has never been under consideration before. It is impossible to get any definite information or to obtain maps showing the water levels. This means a great deal to my constituency; I believe that some 26,000 acres of the earliest settled land in Ontario will be covered by water if a single stage scheme is carried out. I understand that such plans are in existence, and, at the time the delegation were before the Minister of Public Works, we received a promise from him that at some time those plans would be available, so that the people in that district would see what they were likely to suffer as the result of a development under a single stage plan. Although my information is indefinite, I have been told that these plans are in existence. When the Prime Minister is making a statement on this point, would he say where such plans can be seen?

Mr. MACKENZIE KING: I do not know that I can say more at the moment with respect to the St. Lawrence waterway project than to mention that, as I think my hon. friend is already aware, the subject is a matter of negotiation at the present time between the United States government and the Canadian government. Until those negotiations are

completed, when and if they are, I am hardly in a position to indicate to the committee what the nature of the agreement is to be. When my hon. friend says it differs from anything which has been considered before, he probably refers to only one phase of the agreement. The committee will recall that an agreement in the nature of a treaty was made between the government of Mr. Bennett and the government of the United States, but the United States Senate failed to sanction it. Further negotiations have taken a somewhat different form.

The view has been held that all the waterway problems, as far as it is possible to connect them, should be brought together into one agreement and dealt with there; that is to say, matters affecting power, navigation, the levels of the waters on the lakes, scenic aspects at Niagara, and the like. An agreement covering all of these interrelated problems has been under consideration by both governments more or less continuously for some time past. Any agreement which is reached will of necessity involve an agreement between the provincial government and the dominion government as to matters affecting Ontario. There will have to be an agreement or understanding with the province of Quebec with respect to matters affecting that province. I have always taken the position that, with respect to an international agreement, we would desire first to settle matters between our own provinces and the dominion government before we finally reached an agreement with another country. We have not yet completed the negotiations with either the province of Ontario or the province of Quebec. I hope that they will not take long to complete. If they are completed, the next stage would be to continue negotiations with the United States.

My hon. friend's question at the close related, I believe, more particularly to the one stage plan and the two stage plan development at Morrisburg. I cannot say offhand to him at the moment where these particular plans may be seen, but I shall make inquiries and, if they are available for inspection, give him a further answer later on.

Mr. HANSON (York-Sunbury): If we understand the Prime Minister aright, the whole position is still in the negotiation stage, and therefore he is not in a position to make any statement as to what may be done. And, anterior to arriving at the agreement there must be, as he said, an agreement with the two provinces, because some of their rights, I assume, are to be affected. As I understand the legal position, the only jurisdiction this government has is with regard to navigation. If it were solely a question of power, which I believe it to be, the major part of the jurisdiction would, of course, rest in the provinces, because I think it is an accepted fact that in law power that may be generated out of the Canadian development belongs to the provinces.

There is another aspect of the matter I might touch upon. When the previous arrangement was negotiated it was in the form of a treaty. Under their constitution that treaty had to go for confirmation and sanction to the senate of the United States. Is it proposed to follow the same practice in this, or is it proposed, as I have seen suggested, that by some stretch of the powers contained in the boundary waters treaty, it may be entered into as a mere agreement which would not require the assent of a two-thirds majority of the senate, as a treaty would in the United States, but merely a majority in both houses of congress?

I have taken the trouble to read the boundary waters treaty of 1909-10, and I venture the opinion that it was never the intention of the high contracting parties to the treaty that an agreement involving the international section of the St. Lawrence waterway should be entered into as a mere agreement. There is no power there, and I would ask the Prime Minister whether the opinion of the Department of Justice has been taken on that particular phase of the question. If so, will he table it?

My own view is, and it is agreed to by others whose legal opinion I value, that the provisions of the treaty of 1909-10 do not contain powers to make an agreement of this kind respecting the development of a huge project such as would be developed at Morrisburg. It must be followed by a treaty. If the Prime Minister has an opinion on that point, as to the jurisdiction to proceed, not by way of treaty but by mere agreement, I should like to have that legal opinion tabled so that we might study it. The matter is of importance especially so far as the other high contracting party is concerned. As regards Canada, we have not the same constitutional provision. The treaty or agreement or whatever it may be, would, I assume, be submitted to parliament for adoption. If it is a treaty, it has to go to the United States senate to be confirmed by a two-thirds vote of that body. If it is a mere agreement, then it has only to carry the affirmative vote of a majority of both houses of congress. The Prime Minister will be seized of what I am suggesting. Has he taken an opinion on that point and, if so, is it available?

Mr. MACKENZIE KING: I understand that the United States government itself has been considering whether in the public inter-

ests it would be preferable to have the understanding between Canada and the United States with respect to navigation and power on the St. Lawrence made in the form of an agreement between the two countries, which would be approved by a resolution of both houses, alike in the United States and Canada, or whether it should take the form of a treaty. There are arguments pro and con. The argument with respect to agreement is that if work is to be done it is likely to be pressing, and the more rapidly money can be procured for the purposes of development, the more expeditiously the work will be proceeded with. Whether or not the United States intends to press that aspect of the question I cannot say at the moment, but so far as we are concerned the Department of Justice has been looking into the very question which the hon. gentleman has raised, and I shall be in a position when a decision has been reached, to give him an opinion from the department regarding the legal point he has raised.

Mr. HANSON (York-Sunbury): As soon as convenient, if the opinion is available, I should like to have it.

Mr. CASSELMAN (Grenville-Dundas): For the purpose of keeping the record clear may I point out that both the Prime Minister and the leader of the opposition have referred to the Morrisburg scheme. As a matter of fact, the Morrisburg scheme is the one referred to as scheme B in the report of the Hydro Electric Power commission engineers of 1921. Scheme B has never been considered from that time. There is no dam at Morrisburg under the scheme which I understand is being considered at the present time. Complete power development under the scheme which is now being considered is at Barnhart island. The new idea in the scheme is to have a control dam at the village of Iroquois, which village incidentally is to be wiped out. The control dam in itself is not a new scheme, because prior to 1921—as a matter of fact as far back as the days of the late Sir Adam Beck—a control dam was considered. Its location was not defined, but at least it was not at the village of Iroquois.

The scheme being considered at the present time develops power estimated at 2,200,000 horse power at Barnhart island. The control dam is at the village of Iroquois, and it is a dam which is not used for the purpose of developing power.

May I say again that my constituency is particularly interested because, under the previous treaty, which it was attempted to negotiate in 1932, only 9,000 acres of land was flooded. Under this scheme 26,000 acres will be flooded, the greater part of which is on the Canadian side of the river. This is due to the fact that the banks on this side are much lower than on the United States side. I suggested in my first remarks on the subject that this was some of the first occupied land in Ontario. As a matter of fact, the occupancy of the land, the grants of title to the land go back to 1784. Many sites along the front in a distance of a few miles are most historical. The first church, the celebration of the 150th anniversary of which was held in 1934, is in this district. There is a memorial church and there are numerous cemeteries. Although the people in that district are told that their compensation will be such that they will have no worries after the project is completed, I assure hon. members and the people of the district that, after the project is completed, if it is completed on the basis of a single-stage development, there will be more heart-burnings in the district than there have been in the previous one hundred and fifty-five years of its existence.

Mr. ROSS (Souris): Will the Prime Minister make a statement regarding the personnel of the permanent joint board of defence, the authority they have, and what has been accomplished to date?

Mr. MACKENZIE KING: I have not the names of the members of the permanent board, but I shall have them to-morrow. As to the powers of the board, they have powers of investigation of matters of joint defence on both Atlantic and Pacific coasts and the making of recommendations to the respective governments. The recommendations come in the form of reports from the board to the government of the United States and the Canadian government. The recommendations considered by the Canadian government are those relating to matters of defence for which, if the work is to be performed, Canada must undertake the responsibility. When the reports are received by the Canadian government, they are referred to the departments of the government to which the work itself relates. For example, if the work relates to naval defence, the report on that subject goes to the Minister of National Defence for Naval Services. If the work relates to air activities, it goes to the air minister. The matter is considered by the military experts in the department and the war committee of the cabinet on the recommendation of the minister decides whether or not the work is to be carried out.

My hon. friend the leader of the opposition spoke about commitments, and said he found difficulty in understanding how there could be no commitments. I hope I have made it clear that while the board has power to make

recommendations to the government, the government itself decides whether or not those recommendations should be carried out and the work undertaken.

Mr. HANSON (York-Sunbury): That is quite clear.

Mr. MACKENZIE KING: But that is not in the nature of any commitment which Canada is under to the United States or which the United States is under to Canada. There is nothing in the nature of an obligation on the part of either government to carry out what the joint committee recommends except in so far as the government itself is prepared to take that step. That was what I meant in saying there were no commitments.

As to what has been done, I think perhaps the committee will agree that there is nothing in the nature of military secrets which should be kept more a secret than practically everything contained in the reports which have been made on the joint defence of Canada and the United States. We could not bring down those reports in this parliament without disclosing matters affecting the defence of the United States as well as our own coast defence. It would not do to publish that information; it is the information above all else that the enemy would wish to have. That is the sole reason for not publishing the reports.

I have here the names of the Canadian members of the permanent joint board. They are: Colonel O. M. Biggar, chairman; Brigadier Stewart, Air-Commodore Cuffe, Captain H. E. Reid, Colonel G. P. Vanier, H. L. Keenleyside, secretary.

Mr. HARRIS (Danforth): I should like to ask the Prime Minister if in this connection he is getting the full cooperation of the province of Ontario. Within the last five hours I had dinner at Brockville, where I saw a corps of engineers of the Ontario hydro electric, with blueprints and what not, who are working on this project. The question I am asking is whether we are getting the full cooperation of the Ontario government with regard to this St. Lawrence development.

Mr. MACKENZIE KING: I am afraid I cannot answer that question until an actual agreement between Ontario and the dominion has been reached. I have every reason to believe that for some time past there has been a disposition on the part of the government of Ontario to cooperate with this government in matters pertaining to the St. Lawrence. Whether or not all the questions that have to be considered have thus far been taken up, I am not in a position to say.

Mr. HARRIS (Danforth): I was just anxious to get from the Prime Minister a statement that as far as the general plan is concerned, as it is being developed by the dominion authority, it is in unison with the general plan of the province of Ontario with regard to the development of power.

Mr. MACKENZIE KING: I think that is correct.

Mr. HOMUTH: I do not know whether or not I should ask the Prime Minister, but one question that arose a year or two ago was that of the export of power. I realize that the Prime Minister may not be able to answer that question now, but if he can, would he tell the committee whether or not any agreement with Ontario is predicated on the question of the export of power?

Mr. MACKENZIE KING: My colleague the Minister of Munitions and Supply has been conducting negotiations with the Ontario government, on behalf of the federal government. This evening he told me there were some matters still to be considered. The question my hon. friend has mentioned may be among that number, but I am not in a position to say definitely.

Mr. HANSON (York-Sunbury): I have no desire to hold up the Prime Minister's estimates, which are not ordinarily of a contentious nature, but my colleague the hon. member for Broadview would like to speak on this subject to-morrow, so I would ask the Prime Minister to call it eleven o'clock.

Mr. MACKENZIE KING: Will my hon. friend not allow one item to go through?

Mr. HANSON (York-Sunbury): Oh, yes. Will we take up these estimates to-morrow?

Mr. MACKENZIE KING: Yes. I may say to my hon. friend that I am anxious to get through the estimates of the Department of External Affairs in order that I may give attention to other very pressing matters.

Mr. HANSON (York-Sunbury): We shall be very glad to help the Prime Minister get them through.

Mr. HARRIS (Danforth): Perhaps the Prime Minister would be kind enough to say that he will give us some statement with regard to the question of licences for the export of power under this development.

Mr. MACKENZIE KING: I think until we have concluded negotiations with the province of Ontario, any matters that are likely to arise in connection with those negotiations would be better left over. I prefer not to make a statement at the present time.

Mr. HARRIS (Danforth): Perhaps it will come after instead of before.

Mr. JACKMAN: I understand there are still a number of members who wish to ask some questions with regard to these estimates. If the request of our leader in regard to the hon. member for Broadview is granted, will it apply also to other members on this side?

Mr. MACKENZIE KING: I suppose if we had strictly followed the customary practice, we would have confined discussion to the particular item before the committee. I think we have discussed everything but that item. I would not ask that the item be passed except with the understanding that on other items the same general discussion may be carried on, if it is so desired.

Mr. HANSON (York-Sunbury): I think the Prime Minister will agree that on the administration item the discussion usually is of the widest character, but that we are confined to the particular items in subsequent discussions. To-morrow we will facilitate the passage of these estimates, but several hon. members do wish to speak, and I would ask the Prime Minister to report progress now.

The CHAIRMAN (Mr. Reid): Shall the item carry?

Mr. HANSON (York-Sunbury): With that understanding; or is it absolutely necessary for the Prime Minister's purpose to get an item through to-night? I do not know the technical position.

Mr. MACKENZIE KING: No; it is not necessary at all.

Progress reported.

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

Tuesday, February 25, 1941.

The house met at three o'clock.

"THE CANADIAN TRIBUNE"

QUESTION AS TO VERBAL NOTICE OF SUSPENSION GIVEN BY MOUNTED POLICE

On the orders of the day:

Mr. M. J. COLDWELL (Rosetown-Biggar): Mr. Speaker, I wish to ask a question of the Minister of Justice (Mr. Lapointe), but in his absence I shall put it to the government. I have just received a telegram from the editor of the *Canadian Tribune* stating that he has been advised verbally by the Royal Canadian Mounted Police of the temporary suspension of his paper. Is it the policy of the department to suspend without official written notice from the department to the publisher? If that is so, we should understand the position.

[Mr. J. H. Harris.]

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, I would assume the department would give official written notice; but whether written notice would be given in the first instance, or through an officer at the time of taking action, is a point I would have to leave to the Minister of Justice to assume. I expect the minister will be here to-morrow.

NATIONAL HEALTH

INQUIRY AS TO APPOINTMENT OF COMMITTEE AT THE PRESENT SESSION

Mr. G. H. CASTLEDEN (Yorkton): Mr. Speaker, I should like to ask the Minister of Pensions and National Health (Mr. Mackenzie) if at this session it is the intention of the minister to recommend the appointment of a standing committee of the house on health?

Hon. IAN A. MACKENZIE (Minister of Pensions and National Health): No, it is not.

WHEAT

QUESTION AS TO PRICES AND QUANTITIES SOLD SINCE AUGUST 1

On the orders of the day:

Mr. E. E. PERLEY (Qu'Appelle): I wonder if the Minister of Trade and Commerce (Mr. MacKinnon) would be prepared to give the house a statement as to the amount of wheat sold since August 1 last, to whom sold and the average price received? If he has not the information at hand to-day, perhaps he can give it to-morrow.

Hon. J. A. MacKINNON (Minister of Trade and Commerce): I have not, of course, the information at hand, but I shall look into the matter referred to by the hon. member for Qu'Appelle and give some answer at the earliest possible moment.

SUPPLY

The house in committee of supply, Mr. Bradette in the chair.

EXTERNAL AFFAIRS

36. Departmental administration, $220,800.

Mr. MacNICOL: Yesterday the Prime Minister (Mr. Mackenzie King) was asked some questions in connection with the proposed agreement between Canada and the United States in connection with the St. Lawrence waterway. I should like to make an observation or two in reference to what I understand is to be part of that agreement.

On January 26 the Toronto *Telegram* contained an article entitled "Seaway Draft Includes Plan for Diversion," I should like to quote briefly from that article as follows:

Diversion of Ontario waters into the great lakes is provided for in the draft agreement reached at Ottawa between representatives of the Canadian and United States governments on development of the St. Lawrence, according to Doctor T. H. Hogg, chairman of the Ontario hydro commission.

The diversion plan would permit Ontario to flow water from the Albany river into the great lakes.

I presume that should really read "from the Albany river watershed into the great lakes." If that statement is correct, the proposed agreement will provide for the diversion of water from one watershed into another. I am very much concerned over this because I have covered the district thoroughly and am well acquainted with the situation in connection with the waterways of northern Ontario. Article 3 of the Boundary Waters treaty relating to boundary waters and questions arising between the United States and Canada, under which was set up the international joint commission, reads:

It is agreed that, in addition to the uses, obstructions, and diversions heretofore permitted or hereafter provided for by special agreement between the parties hereto, no further or other uses or obstructions or divesions, whether temporary or permanent, of boundary waters on either side of the line, affecting the natural level or flow of boundary waters on the other side of the line, shall be made except by authority of the United States or the dominion of Canada within their respective jurisdictions, and with the approval, as hereinafter provided, of a joint commission, to be known as the International Joint Commission.

When the proposed St. Lawrence treaty is passed by this house and by the United States congress, if this article states the matter correctly it will contain a clause permitting diversion of water from the Albany river watershed. The Albany is a wholly Canadian watershed; it belongs to the James and Hudson bays. In spite of what has been said to the contrary, this country will be settled at some time in the future. There may not be great numbers of farmers as there are in southern Ontario, but there is some fine arable land up there. Important mines will be developed, similar to those which are located east and west of this area. After this settlement occurs it will be found that this water which may be diverted under the treaty is needed for the development of power to be used in the north. According to article 3 of the Boundary Waters treaty the United States congress would have to give its assent to the cessation of the flow of this water southward once it has been diverted. In my judgment this water will be forever lost to northern Ontario as far as any future development is concerned.

I feel quite strongly on this question. I regret exceedingly that other hon. members are not denouncing this proposed diversion. In my judgment it is wholly unnecessary. I feel sorry for the Prime Minister. I do not think that he agrees wholly with this diversion, but the premier of Ontario has given him such an unpleasant time—I will go so far as to say that it is largely undeserved—that perhaps he thought he could be placated by letting him have the water from northern Ontario. I would not do that at all; I would fight him to the last ditch and not allow the diversion of any water from northern Ontario.

I have been trying to stir up northern Ontario over this question, but I have not been very successful; few people seem to be able to comprehend the significance of the loss of this water. At present the country is unsettled and people cannot appreciate its future needs. I was glad, however, to read an editorial in the *Northern Tribune,* which is published at Kapuskasing, a town which is represented by you, Mr. Chairman. The editor of this paper endorses the stand I have taken. I had hoped that all northern Ontario editors would rise to the defence of that section of the country. In my judgment this diversion will be nothing less than an outrageous tragedy.

I should like to quote briefly from what the editor of *Northern Tribune* has said. I feel he almost deserves a vote of thanks by this house for having had the courage to write this editorial. It reads:

The north has a good friend in parliament, in one respect at least. Mr. John R. MacNicol, M.P. for Davenport Toronto, has made almost a life study of the Hudson bay watersheds.

That was a nice thing for that editor to say about me, because I live at least a thousand miles away from the area I am talking about. He goes on:

In particular, Mr. MacNicol has contended that the water powers of the north belong to the north, as a pledge of her future, and he has strenuously opposed every proposed alienation of those water powers as diversion enterprises for the benefit of other areas. Unfortunately, his has been almost the only voice in parliament raised with any vigour to defend our interests; and so it is easy to understand why we can't make a successful fight.

This question is a very complex one, and its understanding requires considerable travel and study. I have been up and down these rivers, and I would that every hon. member would rise in his place and denounce the

proposed incorporation into this international treaty of the diversion of waters from northern Ontario. The editorial continues:

> This newspaper has always maintained that the north's water powers and streams belonged to us up here and should be conserved. The very politicians and other orators who paint such glowing pictures of the future of Canada's north show by their attitude on this matter of water powers that they lack the conviction which should fortify their utterances. If we are going to have prosperous industrial centres and sound agricultural development adapted to the tempering climate, in the future so raptly envisioned, why are we now alienating the potential water powers that would be a necessity to ensure that future?

Alienating for the present? No, not if the international treaty applies. But as a matter of fact they will be alienated forever, because, as the government well knows, the United States congress would never permit the stoppage of the flow of these waters once they were diverted. Why? What effect have they on the waters of the great lakes? They have none at present because Chicago is taking so much extra water, but if Chicago can ever be stopped from robbing the waters of the great lakes, once you have plants established all along the great lakes, riparian rights will be established alongside the harbours of the lower lakes and rivers based on the water levels thus established and the United States could never be prevailed upon to permit the stoppage of the flow of that water.

I do hope that the Prime Minister, if he feels this is necessary for the sake of peace between the government of Ontario and the government of Canada for the duration of the war, will see to it that a clause is put into the agreement providing that when the war ceases the diversion also shall cease and the water shall thenceforth belong to northern Ontario.

Diversion is being denounced everywhere. It is being denounced in congress and throughout the United States by their leading men. At the present time Chicago is again proposing to submit a bill to congress to ask for the diversion of more water. I am thoroughly familiar with the situation in Chicago. They find it perhaps more difficult than any other great city in the world to obtain the water supply required to take care of their domestic sanitary problems. While I am wholly opposed to their diversions I cannot wholly blame them. While I oppose them, I admit that they have the right to go after more diversions.

On January 13 of this year a meeting was held in Detroit of the Great Lakes Carriers' association, which was attended by the engineers of various great cities such as Milwaukee and others along the shores of the great lakes. The secretary of the association, Mr. R. F. Malia, said this:

> The state of Illinois intends asking the supreme court on Monday to amend the decree handed down in 1930 restricting the Chicago diversion.

The report goes on to say:

> Mr. Malia stated Illinois was expected to ask the supreme court to permit the diversion of lake Michigan water to be increased from 1,500 cubic second feet to 5,000 cubic second feet.

That is exactly the amount that is going to be poured into lake Superior and finally into lake Huron and lake Michigan, and away would go our water at once, just as I predicted it would, if these diversions were allowed to take place. I have not the slightest doubt that the United States congress will in due course accede to the request of Chicago and the state of Illinois. They have their ears tuned to the political winds just as we have here, and had the Prime Minister not happened to have his ear attuned to the political winds in Canada I do not believe he would have tolerated these diversions for one second. But he was in a tight corner. The works for one of them had already been completed before they got the necessary permission. Just fancy a provincial government committing an act like that in violation of an international treaty without the consent of this government! But the provincial government proceeded to erect works on the Kenogami river, fourteen miles north of Long lake, cut through the height of land and constructed a canal through the international watershed, in spite of the opposition of this government. When these works were completed and $2,000,000 had been spent on them, they finally got the consent of this government to proceed and let the water flow. I would not have given my consent. I would have let those works rot until kingdom come before I would have allowed an international agreement to be set at naught.

The very same thing is going to happen again with the Ogoki river. I only wish I had the power or strength or knew what I could do to arouse public opinion in this matter—particularly in northern Ontario, Mr. Chairman, which is going to be the great loser; for a large volume of potential power on this river will be lost forever to northern Ontario. I have been trying my best, I frankly admit, to stir up Saskatchewan and Manitoba, but I have not yet made any headway. They have some interest in the matter because they have a great port on Hudson bay, the port of Churchill. I have been there and I predict that some day it will

be a great port. I do not know whether the diversion of water from Hudson bay will affect it or not, but the late Captain Bernier, in a letter from which I quoted last session, was of the opinion that it might. I have communicated with the engineers and the ministers of public works of Saskatchewan and Manitoba but I have not been able to get them to move yet. Manitoba and Saskatchewan should send delegations down here to protest against the inclusion in this agreement of anything that might at any time affect the levels of Hudson bay. I do not know that the levels would be affected. I have read an article that said that such a suggestion was silly. I am not engineer enough to know whether it is silly or not, but Captain Bernier was a great authority and I am prepared to take his word. He made some strong statements about the water levels of Hudson bay. He is dead and gone, but he was a very great engineer and sailor, and did a great deal for Canada. In my opinion he should have been knighted. He never received the recognition he deserved.

Now, let us review the position. Starting in the east, on the St. Croix river, at Grand Falls, or Sprague's falls, as it is sometimes called, there is a dam across the river at the international boundary, and the whole flow of the St. Croix river is now taken through the state of Maine and poured back into the river a little further down. That may be under an agreement between the province of New Brunswick and the government of the state of Maine; I do not know. But the fact which stands out is that the whole of the river goes through the state of Maine to be used for power purposes. Then, on the St. Lawrence river, the southern branch just east and south of Cornwall, as the Prime Minister knows, 25,000 second feet of water are diverted out of that river down to Massena, down the Grass river, and back into the St. Lawrence, in open defiance of the Ashburton-Webster treaty and our own international joint agreement. That condition was to last only until the end of the last war. The last war ended in 1918, and that water is diverted just as freely to-day as it flowed in 1918; we cannot stop it.

At the other end of the line, Chicago has taken 10,000 second feet. I do not know whether that has been reduced recently, but that is the amount they were allowed, and according to the article I read, application is to be made to take more than the 1,500 cubic second feet allowed by the supreme court.

I wish I could impress sufficiently upon the Prime Minister that when this treaty comes up again, whatever we are compelled to-day to do for the so-called production of power, these points should be seriously examined. I do not believe the argument about power production. Just a short time ago the hydro-electric commission issued a statement that they have ample reserves of power; and surely to goodness 80,000 horse-power will not have any great effect on the production of munitions, particularly when they must have had more reserves of power than that.

Finally, to come back to where I began, if the diversion of the Kenogami river and the Ogoki river, two tributaries of the Albany, comes under the jurisdiction of the Boundary Waters treaty, the flow could never be stopped without the consent of the United States congress. That means that from lake Superior to James bay there would be a corridor right across northern Ontario over which we would have surrendered our sovereignty as far as the absolute control of our water goes, and as to which we would be subject to the consent of the government of the country to the south. I have not a word other than the kindest to say of the government of the United States. In that country we have the best neighbours in the world; we should thank God for such neighbours. But that fact would never induce me to surrender any sovereignty which this country has. It may be that water has to be poured into the great lakes, but that is not my opinion, because I believe that if the Warren report of 1921 and the report of the engineering board of review of 1926 were carried out at Niagara Falls, there would be ample water on both sides of the river. The reports state that we both can take 10,000 second feet, and the level of lake Erie would be raised as it should be, and the building of the proposed works in the Niagara river would likely not cost more than is going to be squandered in northern Ontario.

We are told that those commitments will cost $3,000,000, but having in mind what the Chippewa canal cost as compared with what we were told it would cost, and having in mind also the disparity between the estimated and the actual cost of the Kenogami works, I have not the slightest doubt that the cost of the northern Ontario works will be many millions more than we are told it will be. And that expenditure it is proposed to make in war time. Those hon. members who come from the west via the Canadian National railways passed recently the station of Ferland, north of lake Michigan. What did they see there? They saw large piles of equipment and numbers of men going up to build a railway and construction works to take material up to Waboose falls, on the Ogoki river; and this in war time, when men are needed in much more

important places than in the bush, and where next summer they will encounter hordes of mosquitoes and black flies. That is where the grandfathers of the black flies come from; they are so big that they take a cube of a quarter of an inch out of one's neck, and send word back to their relations to come and get some more like it. If I were prime minister of Canada—which would be impossible—I would not allow this work to go on while men can be employed elsewhere much more effectively. While our school children are denying themselves ice cream cones and picture shows in order to buy war savings stamps, these millions should not be squandered in northern Ontario. I would not allow it; it is unnecessary. I repeat this because I want to make it as impressive as I can. If the Prime Minister is compelled to insert in that agreement that the waters shall be diverted from northern Ontario, it should be stipulated that diversion shall continue only until the war is over. The war cannot last, I hope, more than three or four years, and it would take that length of time to do the work, so that it may well be delayed until the termination of the war.

Mr. HOWE: I should like to make a few remarks, as member for Port Arthur, in reply to the hon. member for Davenport (Mr. MacNicol). I seldom speak in this chamber as member for Port Arthur, and I think there is a feeling in my riding that I have come to be too much of a statesman and too little a member for the constituency. Port Arthur is a great riding. It is large in area. It extends from the boundary of Fort William east past White River, and from the shores of lake Superior to the shores of James bay. In that riding is the entire development which the hon. member for Davenport has been discussing—the Ogoki and the Long Lac diversions.

My hon. friend is a great friend of the north country. He is, I believe, one of the few members who have gone as far north as Churchill to make himself familiar with northern conditions. I believe that he has toured the Ogoki country and made himself familiar with that section. But in my opinion, I am sorry to say, he looks at the north from the viewpoint of Toronto. Looking out from his home in Toronto over lake Ontario—and a most beautiful view it is—I fear that his vision is foreshortened, that he cannot appreciate the vast expanse and huge development of the northern ridings which you, Mr. Chairman, and I represent. His discussion would lead the house to believe that the Ogoki is being diverted wholly to provide water power at Niagara falls. We have no objection to supplying water for Niagara falls provided we get the use of the water in the north; and I am happy to say in connection with this particular diversion that we do get a very material benefit from this development, in the north itself. The Ogoki water is diverted into lake Nipigon. From lake Nipigon to lake Superior, a distance of about fifty-five miles, it passes through two separate power developments, both of which, I may say, are in operation and developing power. In the course of that passage it develops, I believe, an additional 110,000 horse-power—certainly over 100,000 and possibly 125,000. Similarly, from the water that is diverted into the Long Lac—and there again we have a ready-made development—there is a potential horse-power of 35,000. My hon. friend suggests that it is far better to keep the water running into Hudson bay. I hope to see all parts of my riding equally developed. I believe we have a magnificent country there and I expect to be the member until the population along the borders of Hudson bay about equals the population along the borders of lake Superior. At the present time, however, for some reason the population has become established along the shores of lake Superior. We have two large cities there and fifteen or twenty thriving communities, all forming a part of the riding, and all adjoining lake Superior. In that area there are very considerable war industries. In Fort William we have the largest aeroplane plant in Canada, giving employment to about one-third of the entire number of persons engaged in the aeroplane industry in the whole of Canada.

Mr. HANSON (York-Sunbury): What are they making?

Mr. HOWE: Hurricanes, the aeroplanes that are winning the war; and they are turning them out at the present time at the rate of fifteen a week. In Port Arthur we have a shipbuilding plant that has a splendid record in the production of corvettes for the Canadian navy. We have other war industries in these towns. We have a large mining industry which is served from the Nipigon power development. We have in the Long Lac mining fields, which obtain power wholly from the plants I am speaking of, a large production of gold which is greatly needed to provide exchange for war industry. At the head of the lakes we have four pulp and paper mills. While these are not producing gold they are producing pulp and paper which is so largely used in the United States and which is converted into gold. We are short of power in that area. In the north we believe, and my hon. friend will find it rather difficult to convince the people at the head of the lakes otherwise, that it is good business to divert

water now flowing into Hudson bay into the more populous part of that area and to use that power at the head of the lakes.

Mr. MacNICOL: I am not trying to convert them. I am opposed to it.

Mr. HOWE: The hon. member will have some difficulty in proving that it is not good business. Then, as the water flows into lake Superior, I may say, speaking as member for Port Arthur, I lose interest pretty well at that point, but it has served its purpose to the people I represent, though as Minister of Munitions I retain a lively interest in it. It passes through Sault Ste. Marie and there it generates power which is badly needed for the great steel industry at that point. It then flows on to Niagara, and through the generosity of the United States government it is not necessary to wait until the water actually flows down, which will take some time. Instead we are able immediately to use this flow from Ogoki for the production of power at Niagara Falls to serve existing plants.

My hon. friend speaks lightly of the value of 125,000 horse-power at Niagara falls.

Mr. MacNICOL: It is 80,000; that is 45,000 less.

Mr. HOWE: It depends on how you look at it. I was taking the combination of two different developments which would represent 125,000.

Mr. MacNICOL: This will be developed beside the falls.

Mr. HOWE: Well, we will compromise between 80,000 and 125,000 and call it 100,000. My hon. friend, being a reasonable man, will not object to that, I am sure.

Mr. MacNICOL: I state the facts, and the fact is that it is 80,000.

Mr. HOWE: I will compromise again and make it 80,000. The 80,000 will provide power to operate a good many munition plants. It depends on the type of plants, but 80,000 horse-power is a substantial block of power, and I can assure my hon. friend that as Minister of Munitions and Supply I am glad indeed to have that additional production from the Niagara area.

Going further down the river, we visualize the time when power will be generated again in the vicinity of Cornwall; and there again, the same water that helps us so much at the head of the lakes will be of as great assistance there. Lower down it will flow through the Beauharnois canal and once again give us help, and it is not beyond the bounds of possibility that it may be once again used at Lachine to help us there.

My hon. friend speaks of this project as one of scenic beauty and communication. I hardly think he suggests that power will be used on the shores of Hudson bay even while I am member for Port Arthur. However, if he will assess the value of that power, not from the point of view of a citizen of Toronto looking out on lake Ontario, but as a citizen viewing the whole great Niagara system of waterways, extending over the height of land and reaching back into the Ogoki country and following that into the sea, he will find that the extra water diverted from Ogoki will create benefits far in excess of the disabilities to which he has referred.

I am always delighted to hear my hon. friend speaking of the north. I appreciate his interest in that country and I hope that some time he will come up and join me at the head of the lakes and so obtain a better knowledge of that particular area, adding to his already wide acquaintance with the north. I shall be glad to see him.

Mr. MacNICOL: I cannot for the life of me understand why the minister should refer to Toronto. The diversion of water might help Toronto through the development of power and therefore, from the minister's point of view, I ought to be in favour of it. But I am looking at the broad picture. I wonder how the minister will be able to develop power on the Ogoki when it is required, or on the Kenogami. I have been on these rivers and I know there are fine falls on them. On lake Ogoki there is a suitable place for settlement by and by. Where will they get their power? From the Albany fifty miles to the north; but that water should stay there for development in that area. Port Arthur can get ample power without that. There are four magnificent falls on the Nipigon river south of the outlet of the lake. One of them, one of the most beautiful I have ever seen, is the Virgin falls. From all four, over 100,000 horse-power could be produced. If power is required at Port Arthur why are not the falls on the Nipigon river developed at once, as they can be? They have developed Cameron and Alexander falls, where I believe there are one hundred thousand horse-power, and the other falls would produce another 100,000 horse-power. I should think the minister would be up on his feet fighting for the territory he represents; there are only black flies and mosquitoes there now, but later there will be many people and they will want power.

Mr. CHEVRIER: I should like to discuss this problem briefly but from a point of view different from that taken by the minister and the hon. member who has just sat down (Mr. MacNicol). I wish to say a word concerning the harnessing of this energy at Cornwall. The constituency which I represent, similarly to that of the hon. member for Grenville-Dundas (Mr. Casselman) will be materially affected by the proposed development of the St. Lawrence waterway, from the point of view both of navigation and of power. If the project is proceeded with by the single-stage scheme, with a control dam, there will be built at Barnhart island a dam and power house which will affect in a substantial manner the whole face of the town of Cornwall and the countryside surrounding it. Since it is not yet known what the terms of the agreement will be and how the east end of the river will be affected, it is impossible at this moment to say just what may happen so far as Cornwall itself is concerned. What we do know, however, is that the elevation of Cornwall is much below that of the development upstream, the consequence being that certain dykes will have to be constructed to protect Cornwall.

On the other hand great advantages will be derived from this development, and in discussing this scheme with the people in that vicinity, I find that in principle they are in favour of it. Unquestionably some of the effects may be detrimental. The hon. member for Grenville-Dundas spoke of the flooding. It is true that there will be a great deal of flooding, with a single-stage development much more than with a double-stage development. He spoke of 26,000 acres as likely to be flooded; I suppose that included both sides of the river. On this estimate a great deal of the countryside will be flooded, and, as he said last evening, much of the property of those settlers whose ancestors have been there for perhaps a hundred and fifty years or more will suffer on that account. It may be not unwise to suggest, with great respect and deference, the setting up of an arbitration court to deal with such matters. If the legal aspect of the problem alone be considered it may be that the replacement value will be the only return the owner will get if expropriation follows. Therefore I suggest the setting up of an arbitration court with reference to the flooding.

My hon. friend spoke of inability to obtain maps. I have had the same difficulty. I presume the reason is that the agreement has not yet been concluded. I have tried on more than one occasion to get such maps and each time have been refused. I believe, however, that there is a map in the office of one of the engineers which anyone can see if he wishes.

I should like to say a word as to the navigation aspect of the matter. The canal in connection with this scheme will be in United States territory. We know that there are good reasons for that from an engineering standpoint. I do not want to go into that now; I shall probably have an opportunity to do so later. But there is one thing concerning that canal which vitally affects the town of Cornwall. The canal follows the south channel of the river, going through United States territory and coming out at one extremity between Cornwall island and St. Regis point, thereby entirely avoiding the town of Cornwall. With very little additional expense the canal could be made to go through the island of Cornwall and come out immediately opposite the port of Cornwall, giving added advantage to the town, where unquestionably industry will follow in coming years. If that is not done, then as far as deep sea navigation is concerned Cornwall will be entirely off the map. With 2,200,000 horse-power at its door it would be unfortunate were this suggestion not to be given the careful consideration it deserves.

I also, with the hon. member for Grenville-Dundas, was a member of the delegation which waited upon the Minister of Public Works. I believe the delegation was unanimous in approving this project in principle. They may have been divided so far as the question of a one-stage or two-stage scheme is concerned. I think the people in that vicinity consider also that on the whole the agreement will be not only in the best interests of the community immediately affected but in the best interests of the people of Canada.

Mr. HARRIS (Danforth): I wish to make one or two observations on this question, but let me say at once that regardless of whose ox is gored or what happens in regard to this project, let us get on with the war effort; if there is going to be some difficulty here, there and yon, let us prosecute the war effort until that job is finished. Let that be our first job of work in all these developments.

Having said that I ask you, sir, not to consider that I am approaching this question from an academic point of view but rather from a long-range viewpoint that will ultimately bring to Canada in her St. Lawrence development the destiny that belongs to her. I am not taking the viewpoint of the city of Toronto alone. I might say to the Minister of Munitions and Supply that I am going even beyond Canada in the views I

express, but I have in my mind's eye all the time the development of industry in Canada.

Many of us have had for years a vision that with the development of the St. Lawrence waterway the Ruhr of this hemisphere may be found along the banks of the St. Lawrence. That has engaged the attention not only of us Canadians but also of British empire industrialists during the last two decades.

I should like to interject here, inasmuch as the Prime Minister (Mr. Mackenzie King) is going to speak in a moment, that I was very sincere last night when I asked him to define his policy with regard to the export of power. I suggest he should give that information, not only for us in Canada, but for observers the empire over who are taking a long-range view with regard to the possibility of industrial development in this country. Before this vote passes I suggest the Prime Minister ought to take us into his confidence, and set out the government's policy with regard to the export of power.

I have in mind the grave danger which will arise in connection with the granting of export licences, due to the fact that those who receive power may gradually come to the conclusion that they have some vested rights, and that therefore power must continue to be supplied to industries in the United States who are consuming it.

Coming back to the long-range view which I should like the committee to take in this connection, may I say I speak with the authority of one of the larger industrialists in the United Kingdom and of perhaps the largest industrialist in Australia. May I refer first to Mr. George F. Davis of Sydney, Australia. Mr. Davis is chairman of the Cockatoo island dock works, the largest dry dock south of the equator, and an organization which is at the present time employing something more than 5,000 men who are engaged in the construction of all sorts of craft, including aeroplanes, destroyers, and steelware and ironware of all kinds. He is also chairman of a group of three, namely the Commonwealth of Australia, one of the dominions—its name escapes me—and himself, each of which has invested £666,000 sterling in an effort to find for Australia a gasoline supply from the development of shale. The business to which he belongs put up his third of the investment, the Commonwealth of Australia put up its third, and the dominion supplied the remainder.

Mr. Davis was in Canada two years ago, and while here he motored along the St. Lawrence river. As a matter of fact he entered into negotiations with the city of Trenton in connection with securing a site for a plant of some magnitude. He is enthusiastic about the possibilities of the St. Lawrence river, and is anxious to see its development.

I now turn to an industry capitalized at £10,000,000, operating seventeen plants in the United Kingdom and one in the Irish Free State, which is anxious to locate in Canada. The chairman of the board of that organization, Mr. Harold J. Cotes, Imperial House, Kingsway, London, is one of the active men in the chemical industry of Great Britain. May I emphasize to the committee that Mr. Cotes is also chairman of the European cartel which handles the same products, and his organization has possession in the British empire of all the Scheidelmandel patents which are owned in Berlin, Germany. Owing to the war his organization finds itself divorced from Europe, and is now anxious to see an extension into Canada and the United States of the development which has taken place in the British isles.

The raw product used by these firms of which I speak is organic material, which comes from the greatest producer of organic material in the world, namely India. As hon. members are aware, the animal kingdom in India is to some extent considered sacred; nevertheless more cattle and other organic materials are available in that country than in any other country of the world. At the present time about half that material finds its way by boats to Australia and New Zealand. The other half finds its way by caravans and boats to Belgium, in small measure, to Holland in somewhat greater measure, but more particularly to the United Kingdom. They are the manufacturers who, in turn, ship these manufactured goods to the United States, Canada and the world over. These are the industrialists who, on account of conditions in Europe, are anxious to locate in Canada. I would ask the committee to take a long-range view of the possibilities of developments along the St. Lawrence river, so that we may get on with the development. Of course when we are doing so we must not do anything which would in any way slow down or harm our war effort. Let us show to the rest of the world our determination to establish along the St. Lawrence a worth-while industrial development, because we must realize that along that river are to be found possibilities and opportunities not found anywhere else.

I look forward to a statement of policy from the Prime Minister. His word will travel to all parts of the empire and encourage industrialists to think about the possibilities in Canada. I believe one way to have them think about the possibilities in this country is to show them the opportunities Canada affords. I believe industry will come here if we proceed with developments such as those offered by the St. Lawrence river.

This morning I heard a broadcast over a C.B.C. radio station to the effect that it is the intention to go ahead with a one-stage development. Undoubtedly that development will involve a tremendous amount of property damage. But do not let that stand in our way; let us go on with the work. When the Prime Minister makes his announcement of policy respecting the export of power let him tell us, and everyone in the United Kingdom, that there is unanimity of opinion on the part of this government and the government in Ontario, so that those people overseas who are looking for places to establish big industries will look with favour on Canada and particularly on the possibilities offered by the St. Lawrence development.

Mr. ROY (Translation): The proposed St. Lawrence development is a matter of such vital importance to the people of Quebec that we cannot view it with unconcern, especially as we are threatened with seeing it carried out without having been submitted to the approval of the electors of Quebec or of Canada.

The province of Quebec has always strongly objected to the proposed development as being contrary to its own interests as well as to the general interest of Canada. From 1930 to 1935 the head of the Quebec Liberal government, Hon. Alexandre Taschereau, unceasingly fought the proposal, which he condemned in the most unequivocal terms. From 1936 to 1939 the National Union government led by Hon. Mr. Duplessis constantly and vigorously opposed the project. And at the present session of the Quebec legislature the opposition has taken further means to obtain information respecting the position and views of the Quebec government in its relations with the dominion government on the subject. This information the premier, Hon. Mr. Godbout, refused to give.

Recently I placed on the order paper of the house a request for the tabling of all correspondence exchanged between the dominion government and the Quebec government on the subject. Hon. members are aware that the Prime Minister (Mr. Mackenzie King) refused to table this correspondence, under the fallacious pretext that to do so would be to divulge information that should remain confidential between the governments of Canada and the United States.

It is unthinkable that we should have to face the possibility of this proposal being carried out without having been submitted to the approval of the people of Canada and especially of the provinces more directly concerned. It is unbelievable. It is inconceivable. In collusion with our provincial government, contrary to our interests and in spite of our opposition, the government is about to alienate our chief source of wealth. Once more, I reiterate my request that the government table the correspondence exchanged with the Quebec government, in order that the people may know how our resources and interests are being dealt with, in collusion, as I have said, with the provincial government which has not submitted the question to the people either.

Since the people of Quebec are opposed to the proposed development and have not been declared incapable of managing their own affairs, they are entitled to be kept informed regarding the tergiversations of the two governments—federal and provincial—and the means taken to carry out the plan.

Mr. MACKENZIE KING: The discusion on the St. Lawrence waterway opened with some remarks by the hon. member for Davenport (Mr. MacNicol). With respect to the engineering aspect of the question I feel that what has been said by my colleague, the Minister of Munitions and Supply (Mr. Howe) covers all that the committee would wish to have at this stage in the way of reply to my hon. friend. There was, however, one particular appeal which he made to me, that I be not unduly influenced by the attitude of the Ontario government. May I say to him quite frankly that with regard to this, as with all public questions, I have tried to maintain an attitude which is not influenced either by fear or favour. So far as the Ontario government or any other provincial government is concerned, that is and has been and always will be my attitude. However, when concerned with public affairs, I always greatly welcome harmony and accord as being wholly preferable to discord. I must say it has been a pleasant experience to have had the cooperation which the federal government has had from the government of Ontario in such negotiations as have recently been carried on with the province of Ontario respecting the St. Lawrence waterway.

Last evening the hon. member for Grenville-Dundas (Mr. Casselman) spoke particularly with reference to the situation of Morrisburg. He asked if it would not be possible for him to see the plans as they might affect the constituency which he represents in this house. This morning I had a word with the legal adviser of the Department of External Affairs and he informed me that as the plans are not final, and cannot be so in the nature of things until the whole matter has been concluded between the United States and Canada, if it is, it would not be advisable to give

publicity to them in their present stage because there may be modifications that would be considered before the final adjustments are made. There cannot, however, be any objection to my hon. friend calling at the department and asking Mr. Read, the legal adviser, to show him the plans. This, I may say, will be gladly done. May I add that Mr. Read is of the opinion that it should be possible at an early date to have reproductions of the plans prepared and published. His memorandum to me states that the final plans for the development of the international rapids section have not been settled and cannot be settled finally until after the conclusion of an agreement or treaty with the United States and the setting up of an international commission which, among other things, would be charged with the duty of the preparation of the final plans. It is impossible, therefore, at the present stage to indicate with precision the limits of flooding, or even the locations of dams, power houses and other works. It is, however, possible to show in a general way the nature of the development and the limits of the flooding. He then goes on to say that a plan has been prepared, but it cannot be made available for general publication without the concurrence of the United States authorities. But it is hoped that reproductions may be made generally available in the near future.

Mr. CASSELMAN (Grenville-Dundas): I thank the Prime Minister and I assure him that I shall be very glad to call at Mr. Read's office.

Mr. MACKENZIE KING: I am glad it has been possible to meet my hon. friend's wishes in that particular. May I say also that I regard it as being fortunate that this discussion should have taken place this afternoon. Important suggestions have been put forward by hon. members who have spoken, such as the hon. member for Davenport (Mr. MacNicol), the hon. member for Stormont (Mr. Chevrier), the hon. member for Danforth (Mr. Harris), and others. The hon. member for Stormont referred to an aspect of the development which would affect the port of Cornwall. I cannot say more at the moment than that I shall see that what he has said is brought to the attention of the officials who have the matter in charge with a view to having his suggestions carefully considered.

The hon. member for Danforth has asked me to make a statement as to the government's policy with regard to the export of power. I think that our policy in that regard is pretty generally known and has been clearly defined in the past. In a word, it is not to permit the alienation of power from Canada. I would define that as being the policy of the present government with regard to the export of power. Of course, it is possible that in certain circumstances it might be advisable to have provision made, when there is a surplus of power in Canada, to permit such surplus being used temporarily to meet a special situation in an adjoining country. The use of surplus power to serve a temporary purpose and to prevent waste, while carefully securing the interests of Canada with regard to its power development in its entirety, is quite another matter than permitting export in the nature of alienation. I agree with the hon. member for Danforth that it cannot be made too clear that the government of Canada believes that there are tremendous opportunities in this country for industrial development, and that those opportunities will be vastly enhanced as additional power is developed. It is the purpose of the government to further in as rapid a way as may be possible those measures which will serve to increase the industrial development of this country.

Last night I gave offhand a statement of the situation as regards the agreement with the United States which is being made the subject of negotiation at the present time. Not having the exact information before me at that time, I feel it might be advisable for the sake of the record to make a further brief statement which will outline with greater precision the present stage of the negotiations.

The negotiations with the United States with regard to the St. Lawrence development took place in Ottawa and Washington in January, 1940. They were deferred and resumed later in September when a proposal was made, which culminated in the exchange of notes on October 14, enabling diversion of the Ogoki and Long Lac waters into lake Superior and the immediate utilization of 5,000 cubic feet per second at Niagara. The use of this water commenced at the beginning of November. Under the exchange of notes, temporary great lakes-St. Lawrence basin committees were set up by the two governments to work in cooperation and to supervise engineering investigations, with a view to facilitating work, in the event of the conclusion of an agreement. These committees have been carrying on their work at Ottawa, Washington, and Massena. General negotiations with representatives of the United States took place at the beginning of January, 1941, and a draft agreement has now been prepared and is under consideration by the governments.

Negotiations for the conclusion of an agreement with Ontario for the taking over of the power works in the St. Lawrence, in the

event of the conclusion of an agreement with the United States, were carried out in the autumn of 1939 and resumed in April and December, 1940, and again in February of this year. The agreement has been prepared and is under consideration by the governments. Then, with respect to the province of Quebec, there are certain aspects of the St. Lawrence development which are of interest to the province of Quebec and negotiations were carried out in the autumn of 1940 and at the end of January of this year with respect thereto. They are still under consideration by the governments.

That is the position as it is at the moment, and that I think is as much information as I would be justified in giving to the committee at this stage.

Mr. HANSON (York-Sunbury): Mr. Chairman, I had not intended to take any part in this discussion of the St. Lawrence waterway because I apprehend that there will be, I hope at least there will be, ample opportunity for such discussion at a later stage before the development becomes operative, if it ever does so become.

In the first place I should like to make this general observation, that Canada should, as intimated by the member for Danforth (Mr. Harris), confine her expenditures of large sums of money at the present time to the conduct of the war, and this development in my view can by no stretch of the imagination be called a war measure.

Without at this time making any further declarations for or against the policy of entering into the construction of the St. Lawrence waterway project, I should like to revert for a moment to the statement which the Prime Minister (Mr. Mackenzie King) has just made on the question of government policy. It may be of some interest if I refer to a debate that took place in this house as long ago as the 15th day of June, 1925, during my first term as a member of this house. The then member for Lambton West, Mr. LeSueur, on a motion of the minister of railways that the house go into committee of supply, moved in amendment:

> That the Speaker do not now leave the chair, but that it be resolved:
> That in the opinion of this house the export of hydro-electric power from Canada should be permitted only on yearly licence, and no licence should be issued beyond those at present outstanding except for off-peak power.

I had the honour to second that amendment. I cannot honestly say that I was able at the time to contribute very much to the sum total of the knowledge of the House of Commons, but there were those who did. Among those who participated were the then leader of the opposition, Right Hon. Arthur Meighen, and the present Prime Minister, who was at that time also prime minister. I find upon looking up the record that my memory is substantially correct, that there was a suggested amendment which met I think with the unanimous approval of the house. That amendment was suggested by the right hon. gentleman himself, as I recall it; I have not taken the time to go through the whole record. But this is what was moved and finally agreed upon, and it will be found at page 4288 of the debates of the house for the 1925 session, if anybody is interested in looking up the discussion:

> That in the opinion of this house the export of hydro-electric power from Canada should be permitted only on yearly licence, and that hereafter no licence for export of power beyond that already granted should be issued except with the concurrence of the province or provinces in which it is proposed to develop such power and of any other provinces adjacent to such development and interested therein.

It will be noted that the principle against the export of power is there stated, and no exception is made with respect to off-peak or surplus power. But a very important consideration was imported into the opinion then expressed by the house, namely, that "no licence for export of power beyond that already granted should be issued except with the concurrence of the province or provinces in which it is proposed to develop such power and of any other provinces adjacent to such development and interested therein." As I understand it, that was the policy laid down by parliament at that time and assented to by all parties represented in the house. In substance the Prime Minister's declaration of policy to-day does not depart from the principle therein stated.

The Prime Minister has used the word "alienated." I interpret that to be synonymous with non-permission to export, and if I am wrong I wish the Prime Minister would correct me. The Prime Minister, as I have understood his declaration on that point in the short address which he made, stated it was the policy of the government not to permit the alienation of power in Canada, and I have interpreted that in the sense I have endeavoured to express.

The Prime Minister did raise the question of the use of surplus power and intimated that an exception would be made in certain circumstances with respect to the alienation of surplus power. That is an exception which hon. gentlemen who think the matter through will agree has very far-reaching implications. Surplus power is in a measure a technical term. It may be synonymous with off-peak power. I am not a technician and I do not

know the effect of all these technical terms. But I do know this, that history has taught us and the experience of this country has been that once a licence is given for the export of power, whether it be prime power, if that be the correct term to use, or surplus power, or off-peak power, that power is gone for good, once and for all, and may never be brought back. I think that is the history of the export of power in Canada.

In the past there have been two schools of thought on this subject. I remember very well a very good friend of mine in this house for many years who took the view that surplus power, power which was not at present being consumed in Canada or which might not be immediately needed for consumption in Canada, was a commodity which this country might very well sell to bring in a financial return which would redound to the benefit of the people of Canada. That I always thought was rather a short term view of the whole question. It might bring in an immediate return, which would of course be recurrent in its nature, but, taking the long view, that power would be gone, and gone for good, and would never be available for industry in Canada, something that we have been endeavouring to stimulate and build up in this country for many years.

If I interpret the Prime Minister's remarks correctly, the government are leaving the door open so that as and when circumstances warrant a substantial portion of the power developed under agreement or treaty or whatever it may be will be available for export from Ontario to the United States. I warn the Prime Minister here and now that in my view such a policy will not redound finally to the benefit of Canada.

I am intrigued by the idea which has been suggested to me that one of the fundamental considerations which has induced Ontario to go into this development is that they might be permitted to export a part of this power. It ought to be made clear to this house and to the country, if the government of Ontario in the course of these negotiations with the federal authorities have raised that question, just what the attitude of the federal government is in that regard. Is it to be in the agreement? We ought to know. In the interests of the future industrial life of Ontario this, in my view, ought not to be permitted, and I warn the Prime Minister of the danger of leaving open a loophole for export of so-called surplus power or off-peak power, or whatever you may call it. It is all a valuable commodity, something which may be required in the future of industry in this country.

So far as I know, from the point of view of Canada the only possible excuse for the development at the present moment of this project is that a shortage of power is threatened in Ontario. I am not in a position to speak about that. I should have supposed that, if that were so, there is ample opportunity to develop power at sites other than the international section of the St. Lawrence and bring it into operation months and years ahead of the production from this development now under consideration, and thus be available to supply power in case of a shortage.

Be that as it may, the point I am endeavouring to make is this. Is it a condition precedent to entering into an agreement with Ontario that the hydro electric commission of that province, a government department controlled by the province, are to have the right to export power from this development? Second, has the government gone so far as to agree to that principle? A word on these points from the Prime Minister would be reassuring. He may say that the agreement has not yet been concluded. I assume that is correct; I have no reason for thinking otherwise; and I want to warn the Prime Minister that the people of Canada, and in particular the people of Ontario, will be watching this whole thing to see whether the government of Ontario are predicating their assent to an agreement with respect to the development of the St. Lawrence waterway on the theory that they are to be able to sell this power. I would ask the Prime Minister to tell us frankly and precisely what the position is in that regard.

Mr. MACKENZIE KING: I am in much the same position as my hon. friend has expressed himself to be. I had not expected to debate to-day the question of the St. Lawrence waterway, and am not in a position to do so in any detail. Particularly, I am not in a position to discuss negotiations which have not yet been concluded.

My hon. friend has referred to conditions precedent. I am not aware of any conditions precedent that have been laid down; if there are any such, I do not know of them. All I can say with respect to the policy which my hon. friend read a moment ago as that which was unanimously agreed to by this house, is that that policy was one I supported at the time, and that it is one which I intend to continue to support and to remain true to, regardless of any circumstances.

I do not wish this statement to be interpreted in a sense so narrow that it would make impossible some developments that, for example, might be necessary to avoid waste

or to help to accommodate others in a time of war, in meeting a situation which is imperative.

I agree altogether with the view which has been expressed here this afternoon that the St. Lawrence waterway development as a project in time of war can be justified only on the basis of war necessity. I would not for a moment think of coming to this house and asking the house to take up its time in discussing this matter if it had not an immediate bearing upon war effort. But, as hon. members know, the war aspect of the need of additional power both in this country and in the United States is one which has been before the country for some time, also the question of the building of warships on the great lakes, and it is from that point of view that the government is proceeding with negotiations.

I have made it quite clear that no agreement should be reached which will put beyond the complete control of this parliament the export of power for any period of time, but the accommodation to which I have referred in meeting any present situation is something which, I believe, ought to be taken into account. I do not wish to be limited to a narrow view that, if more power is developed at Niagara than the province of Ontario can use at this moment, and if some of this surplus power could be of service to industries in the United States which are producing war materials, the government of Canada would take the position that they would not seek to oblige our neighbours if they felt that that power would be of service in connection with the war. Everything has to be viewed in the light of circumstances which have to be met. It is in that sense that I have stated the broad policy, making clear that whatever is done, in any phase of the matter, to meet an immediate need and to serve a temporary purpose, would also have to be considered and, I think, will be considered in the broad way in which this parliament would wish to view matters of this kind.

Mr. ROWE: Would the Prime Minister tell the committee the approximate anticipated date of completion of the project?

Mr. MACKENZIE KING: I wish I could tell my hon. friend. I do not know. Until all negotiations are completed I cannot say when it will be.

Mr. ROWE: I ask that question merely in view of the project being justified only, as we might conclude from what the Prime Minister said, to meet a war emergency. Does the Prime Minister believe that this is the quickest way of securing power for that purpose?

[Mr. Mackenzie King.]

Mr. MACKENZIE KING: I hope the agreement will be reached very shortly. If the government saw a more expeditious way of effecting the end which is desired, the motive which underlies the whole purpose of the agreement, it would take that more expeditious method. But having regard to all the circumstances which have to be taken into account in connection with power and the navigation of the St. Lawrence, we believe that, in proceeding as we are with the negotiations at this time, we are serving a public interest in the best way in which it can be served.

Mr. COLDWELL: I wanted to get back to something which really is connected with our external affairs rather than something which concerns an international agreement but relates more or less to some other matters which will come before us later.

Last evening, when this matter came up, the Prime Minister was explaining the situation regarding our representation in France, and I am anxious to get the picture. The report of the department states, at page 11, that:

> Mr. Pierre Dupuy, first secretary on the staff of the Canadian legation in Paris, remains in London to look after the interests of Canadian nationals who were unable to leave France and generally to act as liaison officer.

The Prime Minister was interrupted last evening when he was saying this about Mr. Dupuy.

> Mr. Dupuy has his headquarters in London. He has been to France, keeping in touch with the government there.

What is the exact situation regarding our representation in France? We have in Ottawa a representative of the Vichy government. I am not raising that point at the moment. But is Mr. Dupuy now accredited to the Vichy government or is he in contact with the government of de Gaulle, the free French government in London? What exactly are our relationships with the two governments? That was the point I wished to raise, because I think it is of some interest.

Mr. MACKENZIE KING: Perhaps I can help to clear up what is in my hon. friend's mind and which may be a matter of concern also to others. The representation of one country in another is not to any particular government but to the country itself. One government may be in office at a particular moment and another government at some other time. Canada's representation to France is not to the Vichy government as such; it is to the government in France with which this government feels it is in a position to continue diplomatic relations. It is not in any

sense representation to Vichy as against de Gaulle; it is representation to France itself. The fact that the government of unoccupied France at the present time is at Vichy and is headed by Marshal Petain is, we have felt, the strongest of reasons why we should seek to maintain as long as possible a relationship that will enable not only our government on our own behalf, but, I might say, in the interests of the whole British commonwealth to have immediate access to that government and to exchange information with it.

With regard to the circumstances that govern with respect to the legation in France, I might say that when the French government withdrew from Paris, officials of the Canadian legation followed it to Tours and finally to Bordeaux. With the approach of enemy forces within a short distance of that city, the Canadian minister as well as the British ambassador and the South African minister departed from Bordeaux late in June and took ship for England. The Canadian minister, Colonel Vanier, is at present absent on leave in Canada. In view of his military and diplomatic experience, he has been appointed to the staff of the permanent joint defence board.

It is the desire of the Canadian government to maintain with the people of France as friendly relations as possible. Whether we can reestablish a legation in France in the near future will depend on the development of relations between the government of France and the axis powers. The chargé d'affaires to France, Belgium and the Netherlands is continuing to maintain an office in London. Mr. Dupuy is chargé d'affaires not only with respect to France but with respect to our relations with the Netherlands and Belgium. The governments of the two latter countries are in London. The government of France is of course at Vichy at the present time.

The leader of the opposition last night asked a question which I should perhaps answer as I speak on relations with France. He asked whether the action of the Canadian government in having Mr. Dupuy as chargé d'affaires representing Canada at Vichy, as he has done, had the full approval of the government of the United Kingdom. I may say that not only has Canada's action been approved by the government of Great Britain but we have been thanked very warmly by the British Prime Minister for the services which we have been able to render at this time through the association which this country has maintained with France.

Mr. HANSON (York-Sunbury): May I revert to the St. Lawrence question. In the discussion last evening of the treaty or agreement I had not before me at that time my files in relation to this matter, but my understanding is that the United States authorities themselves suggest that a treaty is not necessary and therefore that two-thirds ratification or confirmation by the senate of the United States is not necessary. Article 13 of the boundary waters treaty, which is contained as a schedule to chapter 28 1-2 George V, 1911, reads:

> In all cases where special agreements between the high contracting parties hereto are referred to in the foregoing articles, such agreements are understood and intended to include not only direct agreements between the high contracting parties, but also any mutual arrangement between the United States and the Dominion of Canada expressed by concurrent or reciprocal legislation on the part of congress and the parliament of the dominion.

Reading the preceding articles in connection with that article to which this one refers, I wish to make a submission to the Prime Minister.

I suggest that it never could be held as a legal proposition that there was any intention on the part of the high contracting parties in 1909 to make provision at that time for any such tremendous undertaking as the St. Lawrence waterway by mere agreement under Article 13, and I base this on the theory that the pith and substance, to use the language of the lawyer, of the whole treaty would indicate otherwise.

What is the basis of the treaty? What is this pith and substance? It was to establish a means, in the form of a commission, whereby questions relating to boundary waters between Canada and the United States might be settled amicably by negotiation, and for that purpose and that purpose alone the international joint commission was created. In pith and substance the treaty cannot, in my view, be regarded as making provision for such a tremendous undertaking as the St. Lawrence waterway project.

If I am wrong in that theory, as to the proper construction of the treaty—and I am suggesting this for consideration not only by the Prime Minister but by the law officers of the crown—why was it necessary, for example, to conclude a convention in 1929 to deal with the diversion of water at Niagara Falls? The purpose of that convention was to provide for the maintenance of the scenic beauty of the Niagara river at the falls, and such purpose would come more clearly within the treaty of 1909 than would this proposed agreement with respect to the St. Lawrence waterway.

I wish to make it clear that in my view the boundary waters treaty itself gives no authority to either of the high contracting parties to enter into a legal binding agreement for the construction of this waterway.

Mr. MACKENZIE KING: I should be paying myself too great a compliment if I attempted to debate the question with my hon. friend from the legal point of view, but I am quite pleased to have the views my hon. friend has expressed so that they may be taken into consideration by the law officers of the crown.

Mr. HANSON (York-Sunbury): That was the purpose of the remarks.

Mr. EDWARDS: I do not know whether this is the proper place to interject a relatively small matter of water diversion, but in the part of Alberta adjacent to the constituency I have the honour to represent we have a problem of water diversion which is also under the jurisdiction of the boundary waters treaty and is I believe, subject to the control and jurisdiction of the international joint commission which was set up to deal with these matters. I refer to the water diversion on the St. Mary and Milk rivers, in southern Alberta.

It is hardly necessary to refer to the history of these two rivers, other than to state that they both have their origin in the United States, flow into Canada, the St. Mary river eventually finding its outlet in Hudson bay while the Milk river flows north and east along the southern margin of Alberta into Saskatchewan and then back into Montana in the United States.

The diversion of the flow of these two rivers became a matter of international negotiation, and they were eventually put under the control of this commission. In 1920 the commission, as a result of disputes between the engineers as to how the waters of the two rivers was to be measured, held a hearing and made certain recommendations to be followed by the two countries. The recommendations of the commission were unanimous. After thorough investigation they found that the areas of land in each country capable of irrigation from the waters of the St. Mary and Milk rivers and their tributaries far exceeded the capacity of the rivers, even under the most exhaustive system of conservation. And the commission went on to recommend "that every effort should be made to obtain maximum efficiency in irrigation from these waters."

I think it should be pointed out that the fundamental principle governing the use or the right to use water for irrigation purposes is "beneficial use." Proximity or prior claims have no validity so far as the right to the use of water is concerned; it is prior beneficial use which is the determining factor. It is a matter of "use or lose."

The importance of the recommendations of this commission become immediately apparent from what follows. In 1938 the United States completed the Fresno reservoir, located a short distance below the site of the chain-of-lakes reservoir recommended by the commission on their side of the boundary. This solved the storage problem for them, and as a result they were able to use in 1939—I quote from the report of the engineer, a former employee of the irrigation branch of the dominion government—"nearly one hundred per cent of their share of the St. Mary water."

In 1939 Canada "overdrew her account" on Battle creek, which is one of the subsidiary streams. The total flow in that year on the three largest tributaries was about 144,000 acre-feet, of which our share was 72,000. Of this we used a total of only 22 per cent. In other words, by the completion of the Fresno reservoir by the United States, the whole situation is changed. They have put themselves in a position to use all their share, and more if available. This treaty is not like an act of parliament, and cannot be enforced as such. It is more in the nature of a gentleman's agreement. There is no limit to its duration; either party may repudiate the agreement and ask for a reconsideration of the whole matter if they think the terms are working against their interests.

Boiled down to its simplest terms, it means that Canada has the right under the agreement to half of the flow of water in these two rivers, if she uses it. She cannot get the beneficial use unless, as the United States government has done, she builds effective reservoirs for the conservation of the run. There is not sufficient water in the two rivers to supply all the irrigable land. The United States has put itself in a position to use its share and more. It is not unreasonble to expect, and the engineers of the United States government are alive to the situation, that an application will be made to have their allotment of this water increased, on the basis that they are making beneficial use of it, whereas Canada is not.

How does this affect Alberta and the Dominion of Canada? Southern Alberta, as most hon. members know, is arid and semi-arid. A small irrigation project is in operation there. The arguments of the hon. member for Lethbridge in this house last session commended themselves to me, and I have in the interim spent considerable time in getting

authoritative information on the subject. Here is a splendid opportunity for Canada to solve one of her major problems, namely, the wheat problem, of which we hear so much, by laying the basis for another industry which has already demonstrated its ability to survive and grow. I refer to the sugar industry in southern Alberta, which has been and is an unqualified success and is on the eve of greater expansion.

But alas, we have not in southern Alberta at the present time water storage facilities to make it possible to irrigate all the land adjacent to the present irrigation ditches. We had to "borrow" water, if you will, from the United States last season in order to save a portion of our beet crop. If Canada is to save and preserve for future use her share of this water, a solution of the problem can be found only in the building of a dam on the St. Mary river. Competent government and private engineers have thoroughly investigated this project; they recommend it as economically sound, and I am concerned lest the government may let the opportunity slip and this water be lost for all time to the agricultural interests of Canada and more particularly of southern Alberta.

To build this dam, which is the preliminary step in the conservation of this water, would involve an outlay of approximately $3,500,000. But it would establish our right to the water and provide irrigation for over 500,000 acres of land which at present, fertile as it is, is worth not more than $5, $6, $7 or $8 an acre, whereas if water were supplied it would immediately become worth, at a conservative estimate, $30, $40, $50 and in some cases even as high as $60 an acre. At the same time it would assist in giving us what we so much require in our western economy, namely, diversification of our agricultural and industrial life and resources.

I urge upon the government, if this is the proper time and place to do it, that at this time they take appropriate steps to ensure that Canada shall not lose, through lack of use, her right to the waters to which our good neighbours to the south have agreed heretofore and up to the present agree we are entitled.

Mr. MACKENZIE KING: The matter to which my hon. friend has been referring is one to which the government has given consideration. A short time ago a committee was set up carefully to study the project of the construction of a dam to conserve waters in Alberta. The matter is one to which we are giving careful consideration, and I hope it may be possible before very long to give a definite assurance as to what may be done.

Mr. ADAMSON: May I return to the discussion respecting the St. Lawrence deep waterway? I should like to deal particularly with the point raised by the leader of the opposition concerning the export of power. I understand that off-peak power is being exported from the Niagara system at present, and that it is a valuable source of foreign exchange.

Can off-peak power be exported without a licence? It will be understood that off-peak power is very different from surplus power. Surplus power is power in excess of the requirements of the peak load, or the amount of horse-power available which we can not use at all at the present time. Off-peak power is the power which is produced during slack periods of each day and for which there is no market or, at best, a secondary market. Peak load is the output of power for a period of twenty minutes during which the maximum demand is made on the generating system. As an example, may I point out that daylight saving now in force has saved Ontario about 180,000 to 190,000 horse-power in primary power, because we were able to shift the peak forward in the day for a period of an hour or so, and thus stagger the demand. For example, the street-car load and the evening meal cooking load are put forward an hour, and so do not coincide with the lighting up time, which now comes when the street-car load and the cooking load have passed. This has saved a tremendous amount of power.

The question I should like to ask the Prime Minister is: Can surplus power or off-peak power, or both, be exported without a licence?

When we make a firm commitment, even for as short a time as a year, to supply 24-hour power for export at 100 per cent power factor, it has been found that industries are built up in the country receiving the electric energy, and it has never been possible to get the power back. In this country we have not been able to do it. We are going to need all our power. I believe we are going to need every single horse-power we can develop in Ontario and on the St. Lawrence. We will require it for electrical smelting of bauxite at the aluminium plant near Kingston and electrical smelting of iron and other ores, as well as in electrical furnaces treating scrap metal. Certainly we are not going to have any surplus power to export. I warn the Prime Minister that entering into any negotiation for the export of surplus power, even if it be of a temporary nature, is fraught with the greatest danger.

I was deeply interested in the observations of the hon. member for Stormont respecting the single- and double-stage developments of the St. Lawrence power system. It is reported

that the two-stage development can produce power within a period of three or four years from the commencement of construction, whereas the single-stage development would take considerably longer. It is estimated that it would take seven years, or three or four years longer than the two-stage development. As this development must be considered in the light of a war measure, the sooner we get the power the better. That, it seems to me, is one of the most important points with which we are confronted. How soon can we get this power? As I understand the matter, the two-stage scheme will produce power three or four years earlier than the single-stage scheme, and that factor should outweigh all but the most serious engineering difficulties connected with the project.

Mr. MACKENZIE KING: Licensing for the export of power for off-peak purposes comes within the jurisdiction of the Department of Trade and Commerce. I have asked my colleague, the minister of that department, to secure from his officials a statement respecting the present position. When I receive it I shall reply to the hon. member.

Mr. ROSS (St. Paul's): Before the recess, with several other hon. members I urged the installation of a high-powered short-wave radio broadcasting station in Canada. I believe there are many reasons why it would be advantageous for Canada to have such a means of communication with south America and Mexico. The cost is not prohibitive, and I understand the Canadian Broadcasting Corporation is anxious to have the installation. It would prove greatly advantageous to the Department of External Affairs in these troubled times, especially in view of the fact that German, Russian and Italian radios hammer at those people all the time. Will the Prime Minister tell us when we may expect to have a high-powered short-wave broadcasting station, and will he explain why we have not such a station to-day?

Mr. MACKENZIE KING: I have tried to anticipate questions which might be asked, but I must confess I had not thought I would be asked to enter into a discussion respecting radio this afternoon. That is a matter which comes within the jurisdiction of my colleague the Minister of Munitions and Supply. I would say to the hon. member, however, that, as in many other matters, the consideration at the root of the question is one of expenditure of public moneys. As the hon. member is aware, a short-wave station of the kind he has suggested would occasion the expenditure of a large amount of money.

[Mr. Adamson.]

I know that thought has been given to the matter by the Canadian Broadcasting Corporation and the department. Possibly at some other time the minister will tell the hon. member why the project has not been proceeded with up to the present, and whether there is any likelihood of its being proceeded with in the near future.

Mr. GERSHAW: I should like to endorse some of the observations of the hon. member for Calgary West respecting international streams. In southern Alberta the streams which flow down the mountain sides are the heritage of the people in that district. As he has pointed out we are now in great danger of losing for all time to come the benefit of the water nature has provided. These waters are greatly needed in Canada, and we cannot afford to let the United States of America establish a prior claim. Certain irrigation works have been undertaken but not completed, and the result is that farmers in that community have experienced a scarcity of water. Their crops have not properly developed; in some instances loss has been considerable, and in all instances the farmers are deprived of the margin of profit they would otherwise enjoy. The time for action is now, so that we may secure these waters and make beneficial use of them. The need is really very great. Large sums of money have been spent for relief in those districts, and if use could be made of these waters the relief problem would be solved to a great extent.

These irrigation structures are something that will endure. Not only will the people who are at present in that section have the benefit of them, but they will be of benefit to those who follow after. I want to impress upon the government two factors. First, we are liable to lose these waters if beneficial use is not made of them. Next, the sugar beet farmers and also the mixed farmers located in those districts are badly in need of this water. As everyone knows, we have the fertile soil, the sunshine and the climate; we have many things needed for successful farming, and yet year after year the people have had crop failures and great discouragement because of lack of water. This is one method which could be used to absorb unemployment. It is a rehabilitation measure which would help to solve the great problems which will have to be faced at the conclusion of the war and even during its progress. Thousands of people could be employed and permanent homes could be provided for many who are now eking out a meagre existence.

Mr. MACKENZIE KING: May I say to the hon. member for York West (Mr. Adamson) that as regards peak power and surplus power, licences are required.

Mr. GREEN: In the annual report of the Secretary of State for External Affairs for the calendar year 1940, reference is made to the sending of children from Great Britain to Canada. On page 8, I find the following:

> The total number of applications from British parents exceeded 70,000 up to July 5, 1940, when postponement of the scheme had to be announced, due to the difficulty in securing convoyed shipping space. On September 20, 24,130 children had been approved for Canada; 1,538 had actually sailed.

Would the Prime Minister care to make a short statement with regard to that particular situation?

Mr. MACKENZIE KING: Here again my hon. friend is getting more or less out of my jurisdiction. The Minister of Mines and Resources (Mr. Crerar) is in charge of immigration, and one branch of his department has been giving special attention to the matter of children coming from England to Canada. Unfortunately he is not in the chamber at the moment, but I shall direct his attention to the question asked by my hon. friend and he will probably be able shortly to let him have the information he desires. I may say to my hon. friend that it has been extremely difficult to get transportation for children from Great Britain to this side for some time past. This is due, as he himself has mentioned, to the difficulty of getting space on ships. I do not think there has been an appreciable increase in the numbers, beyond what was reported to the house not very long ago.

Mr. GREEN: The report of the department refers to the establishment of a Canadian consulate in Greenland. Would the Prime Minister explain that situation?

Mr. MACKENZIE KING: As my hon. friend is aware, Greenland is a dependency of Denmark. At the present time it is managing its affairs under two governors; the country is divided into two parts, and a separate governor is in charge of each. Canada has viewed with special interest anything that has taken place in Greenland that might affect the war situation. The country lies on one of the routes between the old world and the new which might be made a base for operations by the enemy. We have thought it desirable to have representation in Greenland so that we might be kept aware of possible developments.

We have also felt that we would wish to be of what assistance we could at this time to the people of Greenland. They have been cut off from supplies in some directions and we have been able to give them certain supplies. In order to get the information we would wish to have and be able to communicate rapidly at any moment, we have thought it advisable to have a consul general stationed in Greenland. Mr. Kirkwood, who was previously on the staff of our legation in the Netherlands, has been freed from his duties there for obvious reasons. He has at the government's request taken on the duties of consul general in Greenland.

The United States is similarly concerned with and interested in what may happen in Greenland and also has a consul resident there. In respect of practically all matters that relate to Greenland in which there is a mutual interest, we have been in communication with the United States. The government of the United States and our government have felt that it was desirable we should cooperate in viewing with common care whatever might be of concern there. I believe that the cooperation which has taken place thus far has been of real advantage to both countries.

Mr. GREEN: Would the Prime Minister explain the method by which questions that arise between Canada and Newfoundland are handled, particularly those concerning Canadian troops? There must be different problems coming up from day to day, and I should like to know what machinery there is for ironing out any difficulties that may arise.

Mr. MACKENZIE KING: Such matters are the subject of negotiation between the department of government here which is immediately interested in the particular matter under consideration, and ministers and officials of the Newfoundland government. For example, matters pertaining to the air force in Newfoundland would be taken up by the Minister of National Defence for Air with some minister and officials of the Newfoundland government. Similarly those with regard to the army would be taken up by the Minister of National Defence, and those having to do with naval affairs would be taken up by the Minister of National Defence for Naval Affairs. As my hon. friend knows, the government of Newfoundland is practically under the direction of the government of the United Kingdom, and United Kingdom officials take part in the settling of any matters which are of mutual concern. The Minister of National Defence for Air made a personal visit to Newfoundland some little time ago in order to familiarize himself with the situation there. Contacts were made between the minister and leading members of the government of Newfoundland, as well as with His

Excellency the Governor. There is almost a day-to-day exchange of communications between officials there and our own officials.

Mr. GREEN: What methods have we for keeping in touch with the government of Iceland?

Mr. MACKENZIE KING: I would not say that we are in daily touch with the government of Iceland. In sending our troops to Iceland we had communication with the government of Iceland through the Department of National Defence. These matters really come more under the immediate direction of the defence department, and I am therefore able to give my hon. friend only a general statement. I am informed that the British government has a minister in Iceland, and without doubt our officials are in touch through him with the authorities in Iceland.

Mr. DOUGLAS (Weyburn): I should like to go back for a moment to the question of the Vichy government. I was very glad that the Prime Minister made his statement with reference to our diplomatic relations with the Vichy government, because I think it will clear up what, in the minds of many people, has seemed to be an anomalous situation.

If I understood the Prime Minister correctly, he said that he thought it was wise to retain our contact with the French people and also in that way to serve as a channel through which the other members of the British commonwealth could retain their contact.

Mr. MACKENZIE KING: I would not go so far as that. I would say that I believe our contact with France has been of assistance to other nations of the commonwealth, but I should not like it to be assumed that Australia, for example, retained contact with France through our representative.

Mr. DOUGLAS (Weyburn): If I understood the Prime Minister correctly, he said that the Prime Minister of Great Britain had expressed appreciation of that contact through Mr. Dupuy. What occurred to me was this: Why, if the United Kingdom desired contact with the Vichy government, did it not maintain direct contact rather than indirect contact through the Canadian representative? If it is argued, however, as it might be, that the British government could not do that if it were going to recognize the de Gaulle movement, the corollary of that argument is that we, by maintaining contact with the Vichy government, are not giving recognition to the de Gaulle movement. I raise that point merely because there is, in some quarters in Canada, a feeling that there is, in some parts of this country, more sympathy with the Vichy government than with the de Gaulle movement. I for one do not believe that such is the case. But the continued existence of the anomalous situation where the United Kingdom is severing its diplomatic relations with the Vichy government while we maintain ours, is something that ought to be clarified if we are not going to be placed in a false light in the eyes of a great many people.

Mr. MACKENZIE KING: May I say to my hon. friend that, in these times of war, situations arise which tend to complicate matters. The relations which our government have had with France have happily escaped some of the difficulties which have arisen in connection with the immediate relations of the British government with the government of France. Undoubtedly the United Kingdom government have had reasons of their own why they should have taken the action which they did concerning the severing of their diplomatic relations with France—if the word "severed" is the correct one to apply, and I am not sure that it is correct. The representatives of the government of the United Kingdom did leave France and have returned to England, and for certain reasons which must be obvious, they have not gone back to France. But we in Canada are happily in a different relationship. There is nothing similarly strained in the relations between this country and France, and we have felt that so far as it was possible to maintain a bridge that would be a helpful one between any part of the British commonwealth of nations and France at this time, the better it would be both for the people of France and the people of Canada. We hope that, sooner or later, all the legations and embassies will be restored, but that may take some time. We should be duly thankful that we are able to be of any assistance whatever in helping to maintain a link with France in the present situation.

I would add that I do not think there is anything to be gained but much to be lost in continuing to discuss in this parliament the relations between the government of Vichy and the de Gaulle movement. The de Gaulle movement is not a government, nor is it a country. As I said a moment ago, representation to a country is made, not to any individual or group of individuals, but to the people through the government of the country. This whole question is one which I think hon. members will realize should be discussed only if we are perfectly certain that what we say here is not likely to complicate, but rather calculated to ease, a situation that is very difficult in the old world at the present

time. My advice to the committee, if I might be permitted to offer such, would be that unless there is something to be gained by the discussion, we had better avoid it altogether.

Mr. BLACKMORE: May I revert for a moment to the question of water conservation on the St. Mary river. I am very glad that the hon. member for Calgary West (Mr. Edwards) and the hon. member for Medicine Hat (Mr. Gershaw) spoke in support of that project, and I appreciate greatly the attention which the committee paid to what they had to say. This is a vital project to us out in that section of Canada, as anyone who has lived there and seen the actual situation will realize.

May I commend the Prime Minister (Mr. Mackenzie King) and his government for having gone so far as to manifest considerable interest in this problem by the appointment of a committee. I wish to draw the attention of the government to the danger of possible delay in proceeding with this work. As the two members speaking before me have stressed, it is extremely important that we go forward with this work at once. I am afraid that if there should be delay for a year or so, complications which we cannot now foresee might arise, which might seriously endanger the whole project. We believe that the work should be begun this spring and that the committee which has been appointed should be given instructions to cut short its work in righteousness, so to speak, and make an expeditious report on the situation so that the work may be commenced immediately.

There are several reasons why we believe our stand in this respect is sound. In the first place, it is commonly urged with reference to expenditures of this kind that in the midst of this tremendous struggle we cannot afford the money. May I point out that we shall never be able to afford it better than right now; for while we are endeavouring to raise approximately two billion dollars in 1941, an expenditure of two and a half billions is very likely for 1942, so in view of these probable expenditures one on top of the other, it would be just as easy to get the money for the St. Mary river project this year as next or the year after.

There is another aspect of the question. While perhaps a labour shortage has begun to develop in the central provinces where a large amount of munitions manufacturing is going on, that shortage is not developing in the western provinces, particularly in Saskatchewan, Alberta and British Columbia. We still have plenty of labour in that area to do all the work that is necessary in building this project, but naturally our man-power will be gradually drained off just as it is likely to be drained off in other provinces, and a year from now we might not have available the present supply of labour or be able to obtain it at as reasonable a rate. That is a matter which needs to be taken into consideration.

Another aspect which I think should weigh with us is that this project is really a war measure. We do not know now what our needs are going to be before this war is over. At present we have access to stores of foreign sugar, for example. We can buy cane sugar and we have available the boats to bring that cane sugar to Canada. We may not always be so fortunate. Before the war is over, it may be necessary for us to manufacture our own sugar right in that area. As the hon. member for Calgary West pointed out, that area is eminently adapted for the production of beet sugar. As I have observed several times in this house, I doubt whether there is any better area to be found anywhere. When it is remembered that, once we have the water out on the land, we can put up a sugar factory which will produce probably five per cent of Canada's needs, and get it in operation in nine months, or between now and the end of this year, the matter is one which should be borne seriously in mind. We should be making provision in case we need that area as a source of food. Again, the district is admirably adapted for the production of vegetables. That cannot be said of all areas, because the climate elsewhere is not invariably as good. Therefore I would say that as a war measure the project is not entirely without value.

Again, if the area is to be used as a place of settlement of soldiers after the war, it should be borne in mind that it will take at least three and probably four or five years to construct a dam and get the water out to the land so as to prepare it for settlement. That is another reason why we should not waste any time.

Another aspect of the matter which is of importance is that of beneficial use and priority. It is pretty well recognized that those who have prior use of water, and especially those who have prior beneficial use, acquire a claim. Every year we defer the construction of this project and the bringing of that water to beneficial use, we allow the United States one year more of beneficial use and prior right—which might be an extremely important matter one of these days.

There are some who say that this whole project should be deferred until after the war. Let us remember, however, what happened during the last war. Before that

war ended, an investigation had been made regarding the whole Lethbridge southeast water conservation project, and I believe the officials were thoroughly impressed with the importance of going forward with the project. Yet that project has been deferred until the present time. Eighteen years have been wasted—apparently because people waited for the close of the war. We can well imagine that if we continue thinking in the orthodox manner, as we think now, after the war we shall say, "Well, we surely have to retrench to the very minimum, the very last degree; we cannot spend any money now, we must get out of debt"; and the result will be the further deferment of this project. That also, I think, should be borne in mind.

There is one more consideration. I have pretty good evidence to show that United States people living in the area concerned are beginning to look forward to the gaining of some of Canada's water rights. It is well known what can happen in a democratic country when the people as a whole begin to demand that something be done. The longer the government defers this project, the more possible it is for a public opinion to develop in the United States, just across the border from Alberta, demanding that something be done. Consequently, in the interests of good feeling between us and the United States, as well as for our economic development, we ought to go forward with the dam at the earliest possible moment.

I wish once more to commend the Prime Minister and his department for taking this matter into consideration, and to add my voice to those who have already urged that we should go forward promptly with the work.

Mr. STIRLING: Would the Prime Minister explain the relationship which exists between the high commissioner's office in London and Canadian military headquarters? Are they two quite separate entities, or do the communications which ordinarily pass between the government and either of them or of the departments in Canada, pass through the one or the other?

Mr. MACKENZIE KING: They are separate entities. But there is a liaison between the high commissioner's office and military headquarters in London, whereby the high commissioner's office is kept in touch with matters which are of concern and mutual interest. The military headquarters in London communicate direct with the Department of National Defence here, and the Minister of National Defence has his immediate contacts with its staff.

Mr. STIRLING: Is that liaison officer an official of the Department of External Affairs?

[Mr. Blackmore.]

Mr. MACKENZIE KING: He is a member of the staff of the high commissioner. It is a liaison with the high commissioner's office so that the high commissioner may be kept informed on matters with regard to which we would wish him to be informed.

Mr. STIRLING: One other question in connection with the high commissioner's office. Is there on his staff a man versed in the British requirements in munitions such as Canada is preparing—knowledgeable on the subject of Britain's requirements in a scientific way?

Mr. MACKENZIE KING: The Department of Munitions and Supply have their own representative in London. His name is Charles Banks. He represents the department in London itself.

Mr. STIRLING: He is not under Mr. Massey?

Mr. MACKENZIE KING: He is under the Minister of Munitions and Supply.

Mr. STIRLING: And consequently he is not answerable to the high commissioner, he is answerable to the minister?

Mr. MACKENZIE KING: Yes, he is answerable to the minister. But in all these matters which relate to the London offices, an effort is made to see that the high commissioner is kept fully informed of what is happening, so that if for any reason his co-operation were needed or he thought it desirable to bring some matters to the attention of the Minister of External Affairs, he would be in a position to do so.

Mr. NICHOLSON: I notice that the Canadian government appointed in February of last year a commissioner to New Zealand. Are there any arrangements to have New Zealand appoint a commissioner to Canada? Has the Prime Minister any announcement to make in this connection?

Mr. MACKENZIE KING: Up to the present the government of New Zealand has not found it possible to send a high commissioner to Canada; but we shall greatly welcome a representative from New Zealand should the New Zealand government think well of appointing a representative here. We have, of course, no control over the appointment.

Item agreed to.

37. Representation abroad—including salaries of high commissioners, ministers plenipotentiary, consuls, secretaries and staff, notwithstanding anything to the contrary in the Civil Service Act or any of its amendments, $593,000.

Mr. MACKENZIE KING: The committee will be, I am sure, not only interested in learning but pleased to know that the government has been successful in enlisting the good offices of Mr. Leighton McCarthy at this particular time, and that Mr. McCarthy has been appointed as minister to Washington. My hon. friend the leader of the opposition mentioned last night that he thought we should have at Washington at this time an outstanding citizen of Canada, and he linked Mr. Leighton McCarthy's name to the designation which he had given, so I am happy to feel that on this occasion both sides of the house are of one view with respect to our good fortune—I call it such advisedly—in securing Mr. McCarthy's services as minister.

Perhaps I should tell the committee that some years ago I tried to get Mr. McCarthy to take the office of minister at Washington. Mr. McCarthy could not see his way at the time to sever his business connection in Canada to the extent of giving himself to the diplomatic service. He has indicated to me off and on since the war began that if he could be of service in any way he would be glad to consider any proposal that might be made to him. As soon as I found that Mr. Christie's recovery would unfortunately likely take some time, I got in touch with Mr. McCarthy and, after having considered the matter carefully, he has agreed to accept the position of minister for such time as he is able to give his services at Washington.

As hon. members know, Mr. McCarthy is a former member of this House of Commons. He took a prominent part in the discussion of public affairs when he was a member of parliament. He is head of one of the largest insurance companies in Canada and has had a great deal to do with private business. He has also an exceptionally high standing in his own profession, that of the law. He has always been interested in international affairs. With respect to his appointment to Washington there is a circumstance which I believe to be of real value to us all; it is that Mr. McCarthy and the president of the United States have been very close friends for many years and know each other intimately. I feel that no better appointment to Washington could possibly have been made.

Some little time ago the Prime Minister of Great Britain communicated with me with regard to a possible appointment to the imperial privy council and discussed the qualifications which he felt should govern in the appointment of a privy councillor. Mr. Churchill set forth the following condition and qualification which I pass on to the committee as exceptionally valuable, whether made applicable to the position of privy councillor in Britain or in any of the dominions. The position, Mr. Churchill said, should be regarded not as being bestowed as an honour or as a reward, but as the sworn relationship deemed necessary for the performance of highly confidential duties by persons of eminent stations. The government has felt that Mr. McCarthy's relationship with itself would be one involving the performance of highly confidential duties and he would certainly be recognized as enjoying an eminent station. The cabinet therefore recommended to his excellency the appointment of Mr. McCarthy as a member of the privy council of Canada. His excellency has been pleased to approve the recommendation. Mr. McCarthy, therefore, goes to Washington not merely as a minister but also as a member of the privy council of Canada.

Recognizing the importance of the work to be done at Washington, and in order to give Mr. McCarthy the best assistance we possibly can, the Department of External Affairs has arranged to have Mr. Hume Wrong accompany Mr. McCarthy when he goes to Washington. Hon. members will recall that Mr. Wrong was associated with the legation at Washington for ten years altogether, and he is therefore familiar with the Washington scene and has many friends in the different departments of government there. Mr. Wrong has been at the League of Nations as permanent delegate from Canada. That particular position has been abandoned for obvious reasons. Since October, 1939, he has been special economic adviser in London, dealing more particularly with matters of economic warfare and with financial questions. He is therefore familiar with many aspects of the situation in London and will bring that added knowledge to the discharge of his duties in Washington at this time.

As I mentioned on Monday a week ago, the affairs of the legation, during Mr. Christie's unfortunate illness, have been administered by Mr. Merchant Mahoney as chargé d'affaires. I doubt if a more faithful, honourable or efficient officer could be found in any public service than Mr. Mahoney has been in the years he has been at Washington. In fact, if I recollect rightly, he was first appointed to Washington some time before the legation was opened. He was appointed as representative of the imperial munitions board. He has made for himself a place of exceptional confidence in Washington and he will continue, of course, as counsellor at the legation. The government feels, however, that he should be given a higher rank than he is at present enjoying. He is at present commercial counsellor, but his duties have taken him outside

purely commercial lines into general problems of government and matters of general concern; his responsibilities have long ago outrun the limited description of his duties conveyed by the title "commercial counsellor" and he has therefore the position of counsellor of legation without qualification.

Mr. Wrong will be the senior counsellor, having had exceptional experience in international affairs in many parts of the world, but I should like the committee to realize that this country owes a very great debt of gratitude to Mr. Merchant Mahoney for the way in which he has supported all ministers who have been in Washington and the very unselfish role which he has taken at all times in serving this country there.

I feel I should place on the record an exchange of correspondence which has taken place between Mr. Christie and myself, so that the committee will know exactly the position as it stands at the present time, and as it relates to the future. On February 19, Mr. Christie wrote to me from the Hospital of the Rockefeller Institute for Medical Research, 66th street and York avenue, New York, as follows:

My dear Prime Minister:

I have now learned from my doctors that my full recovery is likely to take somewhat longer than they thought and I had hoped. My absence from Washington, particularly in these very difficult times, has been very much on my mind and I know it has caused you concern. I had expected to be able to take up my full duties at the legation before this, but I quite realize that, with a convalescence in prospect that may take some months, the vital interests of Canada in Washington cannot be adequately maintained without full and effective diplomatic representation there.

In all the circumstances I hope it may be found possible to grant me the extended leave of absence from the legation which I am told I must have in order to complete my recovery. I hope you will therefore, feel entirely free to make whatever arrangements in respect of the Canadian legation at Washington the needs of the country and the service may require.

Yours very sincerely,
Loring C. Christie.

To Mr. Christie's communication I replied on February 20 as follows:

Office of the Prime Minister
Canada

Ottawa, February 20, 1941.

My dear Christie:

I am more than sorry to learn that you now feel your complete recovery may take rather longer than we had all hoped. I know that your enforced absence from your post in this critical period has been an added source of anxiety which no doubt has been impeding your recovery.

It is characteristic of your thoughtfulness in all that pertains to the public service to suggest that your present indisposition should not be allowed to impair in any way the effective representation of Canada at Washington, especially in time of war. Anticipating that such would be your attitude once you found that time would be required for a complete restoration of your health, I had, prior to the receipt of your letter, been considering what steps it might be most advisable to take for the effective carrying on of the work of the legation in the event of a prolonged absence on your part being necessary.

It is, I think, desirable that you should take an extended leave of absence so that you can enjoy the complete rest which your recovery requires, and which your services to Canada, both at home and abroad, have amply earned. It is also most important that the representative of Canada at Washington should, particularly at this time, be someone who will have the complete authority and status of a minister. This I have reason to believe can be arranged without impairing your own status as a minister in Canada's diplomatic service.

I much hope that procedure on these lines may serve to relieve your mind of all present anxieties and enable the government at a later date again to avail itself of your exceptional talents wherever they may be utilized to the best advantage.

With kindest regards to yourself and with every wish for an early and complete restoration of your health,

Believe me,
Yours very sincerely,
W. L. Mackenzie King.

Loring C. Christie, Esq.,
Rockefeller Institute,
New York, N.Y.

I should have said at the outset that His Majesty the King was of course duly advised of the wishes of the government with respect to the appointment of Mr. McCarthy to Washington, and has been pleased to signify his approval of the appointment and of the course it was proposed to adopt with respect thereto. I mention this because a procedure somewhat different from that which is customary has been adopted in the case of Mr. McCarthy going to Washington. As a rule, a new minister presents the letters of recall of his predecessor and his own letter of credence. But as Mr. Christie will remain a minister, although absent, it has not been thought necessary to have Mr. McCarthy present any letters of recall or letters of credence. The President of the United States and the Secretary of State are agreed that an oral communication by Mr. McCarthy on his arrival, to the president who understands the special situation and approves of the arrangement contemplated, will suffice. Mr. Roosevelt, who, as I have already mentioned, knows Mr. McCarthy very well, has informed me that he will be only too pleased to receive Mr. McCarthy with the full authority and status of minister the moment he arrives in Washington, without any special letter of credence from His Majesty the King. The arrangements for Canadian representation at Washington I hope are of a character which

will meet all the needs of the situation at the present time. I trust they may also prove of benefit to the health of Mr. Christie, who is an exceptionally able and faithful public servant.

Mr. HANSON (York-Sunbury): The Prime Minister has made some very interesting announcements. I cannot suppose that the advance notice of the appointment of Mr. McCarthy that I gave here the other day was unknown to the Prime Minister, because it had already been announced in the Toronto newspapers, but I do think the Prime Minister has made a very good choice.

I am pleased to know that he has created Mr. McCarthy a privy councillor. I had hoped that he might give consideration to the suggestion which I made in perfect good faith, that it being the most important post in our diplomatic service, he might see his way clear to raise the new minister to the rank of ambassador, because I do think that would enhance his importance in Washington at least one degree. The Prime Minister has not seen fit to do that, and of course I make no further comment.

Since he announced the appointment of Mr. McCarthy as privy councillor, I have been wondering whether consideration has been given to the suggestion, made to me at all events, that our high commissioner in Australia, for instance, should be made a privy councillor. I am told that it not only carries something with it as a matter of dignity but carries with it certain rights of access to the Prime Minister or the cabinet in person. I just mention this in passing because I understood that it has been the practice on previous occasions to make our high commissioners, as well as some at least of our ministers abroad, privy councillors. The former Prime Minister made Mr. Howard Ferguson a privy councillor, also Mr. Herridge, and I am thinking of my friend C. J. Burchell, the high commissioner in Australia. Could he not be made a privy councillor? I am not going to carry the suggestion any further than that.

With what the Prime Minister said about Mr. Hume Wrong I concur. I have had the pleasure of meeting Mr. Wrong in Washington, and from the efforts he made to assist me as a private individual, I learned of his competence as an official. I can say the same thing for Mr. Mahoney. He knows his way about in Washington; he is a valuable official of the Canadian legation there, and I am indeed pleased to see this recognition given to him. I think it is perhaps somewhat long delayed on the part of Canada to a man who has served this country so well. He was sent down there by Sir Robert Borden, if my recollection is correct, at a time when we had no actual representation in Washington, and during the last war he did useful work for Canada, as I am sure he has done since.

Mr. MACKENZIE KING: I am glad my hon. friend has again mentioned the question of the creation of an embassy at Washington. May I say to him that I am far from being averse to a step of the kind being taken. I am only too happy to recognize the fact that our views in this particular are much the same. I unfortunately labour under this difficulty, that whatever I do is certain to be looked at from different angles, some of them quite the opposite of what I would feel was justified. I have had to ask myself again and again what would be the reaction, in this country and overseas, if we were to create an embassy at Washington at the present time.

Mr. HANSON (York-Sunbury): It would be good with me; that is all I can answer.

Mr. MACKENZIE KING: Now that my hon. friend is with me I shall pursue the matter further.

Mr. HANSON (York-Sunbury): The Prime Minister will be able to see what the public think about it.

Mr. MACKENZIE KING: What I have been most anxious to avoid, particularly at this time of war, was any question being raised which might give rise to general discussion as to what might lie back of any particular step. While I have never even replied to the insinuations that because I was a stalwart Canadian I therefore could not be equally staunch as a supporter of the British empire, I have carefully endeavoured to avoid taking any steps that might lead to misunderstanding and misrepresentation. I have just had to ask myself the question, how would some people in this country view a step which would create an embassy at Washington at this particular moment? Personally I feel that there are the strongest reasons why we should have an embassy at Washington. I believe in the equality of status of all the self-governing nations of the British empire. And the fact that we have had a legation at Washington rather than an embassy has been due not to any inferiority complex, but rather to a sense of proportion in the beginnings of our diplomatic services.

I shall explore the matter further, but at what time it may be best to take the step that has been suggested I think will have to be carefully considered.

As to the creation of privy councillors, in common with my hon. friend, I should be happy to see a number of our friends recog-

nized as members of the privy council. I feel however, that that is one particular office which should be reserved as largely as possible for those who have had immediate experience or large experience in matters of government which, as I have said, Mr. Churchill feels should be the relationship to entitle anyone to that position. I talked with Mr. Baldwin when he was in Canada about the position of privy councillors in England. He said to me that in his opinion there was no position which should be as closely guarded as that of appointment to the privy council, that it would lose its character altogether if men, simply because they were appointed to one office, should feel that because they got that office they should therefore get the other.

It is not any lack of appreciation of the fine qualities of the men who represent us as high commissioners which causes me to hesitate to do for one what I could not do for all, or probably would be called upon to do for all, were I to make a recommendation in any one direction. I feel that the position of high commissioner in itself is a very honourable one, and I am sure that today anyone holding that office would at all times have access to the government of the country to which he might be sent.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. HANSON (York-Sunbury): Mr. Chairman, without having any desire to delay the committee, there is a matter which I should like to bring to the attention of the Prime Minister and the committee. While it may not be entirely in order on this item, I do not see any other under which reference could be made to it. To me this matter is of considerable importance and I have discussed it already with the Prime Minister.

The Lord Mayor of London has established a fund known as "The Lord Mayor's Air Raid Distress Fund." This fund has the support and blessing of the British government, and through it appropriations have been made to Coventry, Birmingham and other cities, and to the women's voluntary society for the purpose of providing relief to the victims of enemy air raids. The British government is placing more and more reliance upon this fund for the relief of distress in devastated areas, and contributions are urgently required from all parts of the world. The shipping difficulties, as well as the immediate urgency of the need, make it essential that contributions should be in the form of money to enable the purchase of articles which could not promptly be sent overseas. Contributions from Australia have been on a generous scale. The cities of Melbourne and Sydney have already sent grants of £200,000 each, and additional contributions from those sources will be forthcoming. I do not know whether the commonwealth as such has made a contribution.

Canadian contributions have not been on anything like the same scale. I believe the Toronto *Telegram* did establish a fund, and the results achieved in the city of Toronto have been quite remarkable. Something between $300,000 and $400,000 has been voluntarily subscribed and transmitted overseas. On February 12, I went to see the Prime Minister and suggested to him that, since the distress is so great, he should ask parliament to make a special appropriation to assist the great work of the Lord Mayor's air raid distress fund. I had hoped that a special appropriation would be made in the main estimates, and I was greatly disappointed when this was not done.

In the past, appropriations have been made by parliament to assist in the relief of victims of earthquakes, fires, et cetera, outside Canada, and this constitutes a precedent which might well be followed in this case. On January 18, 1940, an order in council, P.C. 220½, was approved authorizing the issue of a governor general's warrant in the sum of $100,000 to provide funds to be placed at the disposal of the consul general of Finland in Canada for the purchase and transport of Canadian foodstuffs for the relief of the people of Finland. I believe this to have been a commendable action, and I think it constitutes an additional reason, if any were needed, why this government should ask this parliament to make an immediate appropriation for the purpose I have indicated. The amount of the appropriation which might be made is a matter for discussion, but in my opinion it should not be less than $1,000,000. Of course, that would be a matter for consideration and discussion after the principle had been adopted. Having made this suggestion privately to the Prime Minister, I am taking this opportunity of bringing the matter to the attention of the public. I wish once more to urge upon the Prime Minister with all the emphasis at my command that he accept my suggestion.

One of the reasons which prompted me to make this suggestion was an instance that occurred recently during a trip I was making to the west. Upon entering the dining car one night I was assigned to a seat at a table at which were seated a small child and a little old lady. Naturally we got into conversation and she told me her story. She had been bombed out of her home in London

on three different occasions and had gone through the bombings from the beginning of the war until November. She tried in every way to get out of Britain, haunting the steamship offices, but at all times she was met with the same response, that there were no vacancies for her or anyone else. One day she happened to be in a shipping office when she heard that someone had given up a passage, and she said she would take it without knowing whether it was to Australia, India, South Africa or Canada. It turned out to be to Canada. She had been to Montreal and was on her way to the coast when I met her. During the course of our conversation she told me something of the destitution and privation being suffered by the people of bombed London. I then and there resolved that I would bring the whole matter to the attention of the authorities of Canada, and I am suggesting now what I think is the worthy thing to do under the circumstances.

Mr. MACKENZIE KING: As my hon. friend, the leader of the opposition has just said, he called on me at my office and brought to my attention the circumstances which he has just narrated to the committee and made the suggestion that the government should consider making an appropriation of $1,000,000 or some other amount to aid in relieving distress arising from air raids in Great Britain. I said to my hon. friend that I appreciated his motives and shared his feelings with respect to the desirability of relieving distress, and that from the government's point of view it was all a question of how best to effect the end which we shared in common.

Canada's war effort need not be restricted to contributions that come from the federal parliament. Contributions may come from the provincial legislatures or from municipalities, and there may be contributions from individuals. I am using the word "contribution" in a very broad sense. I told my hon. friend that I would bring the matter to the attention of my colleagues in the cabinet and see that it received careful consideration there. In a word, the view that the cabinet took of the matter was this: that under the war appropriation bill a contribution is being made from Canada's treasury of at least $1,300,000,000 which is immediately concerned with the war effort. It might seem a simple matter to add another million or so to that amount but if we were to do so we would be establishing a precedent which perhaps would lead to many requests for donations to other special objects. We would, moreover, be departing from what seems to have been the method adopted in other parts of the empire in making contributions for this particular purpose. In London, for example, there is the Lord Mayor's Fund. In Montreal there has recently been opened a fund with which Her Majesty Queen Elizabeth has graciously consented to have her name associated. My hon. friend has referred to what has been done in Toronto. He has spoken of Australia, but has told us the contributions were made by the cities of Melbourne and Sydney.

If I am not mistaken, the city of Ottawa made a contribution a short time ago. It is a form of relief which, if given through the municipalities, appeals immediately to the citizens generally. That would seem to be an avenue through which contributions might be made to this end, which contributions in the long run would amount to as considerable a figure as anything that the federal government itself might contribute. I venture to say that if I were to announce to-night that the federal government was going to make a contribution to this particular fund, immediately it would be found that many persons in the municipalities who otherwise would have contributed to the fund would say: "Oh, well, the federal government is making a contribution, so why should we?" Similarly, municipalities which might be anxious to associate their efforts with the efforts of other municipalities might feel that the dominion government was making a large contribution and, therefore, that it was not necessary that they should do so.

I am giving to the committee the view which the members of the government took of the matter, we being just as anxious as my hon. friend and all other hon. members to contribute to every phase of the war effort to which we could justifiably make a contribution. At this time when a campaign is in progress urging the people of this country to invest in war savings certificates, I think many persons would feel that, since that campaign was gathering up small contributions to help meet the very large obligations which the federal government has assumed, we would be more justified, in relation to this particular purpose, in leaving it to the municipalities to supplement what the federal government is doing.

I do not say that the government will not consider the matter further. If I thought that the House of Commons generally took a different view from that of the government I would very gladly ask my colleagues to reconsider the decision which we have reached. I have given briefly to hon. members the point of view which we entertained. While the matter need not be regarded as finally closed, that is the present position of the administration towards the suggestion my hon. friend has made.

Mr. ADAMSON: This afternoon the Prime Minister quoted the qualifications for an imperial privy councillor as given by Prime Minister Churchill. He stated the qualifications which Mr. Churchill had asked that an imperial privy councillor should have. In view of the fact that the question of an imperial war cabinet has been raised, it would seem to me that conversations must have taken place or communications must have passed between the government of the United Kingdom and the Canadian government respecting the setting up of an imperial war cabinet or an imperial privy council. Would the Prime Minister be good enough to give us more information on that?

Mr. MACKENZIE KING: I indicated, I think on Monday, that there had been communications on the subject of an imperial war council both in Mr. Chamberlain's time and since Mr. Churchill succeeded to office, but there has been no invitation extended to the prime ministers of the dominions to come to London for such a purpose. Such communications as have been received have indicated that in the opinion of his majesty's government the time has not yet arrived for the calling of such a conference. Something of that nature may be called at a future time, but up to the present the British government have not thought it advisable to ask the dominions to send their representatives to an imperial war council.

In the statement I made in the house a week ago on Monday I was seeking to make clear why I attach, so far as my own position is concerned, particular attention to the prime minister of the country being in immediate association with his colleagues when he gives any decision that affects empire affairs, if that can possibly be arranged. I sought to make it clear that from the point of view of effective communication the agencies that we have to-day are such that we feel that, while to all appearances there is not an imperial war cabinet to-day, in reality there is such, I say this because the British government, I assume, asks our opinion on, I should say, most of the matters which they regard as important to the dominions and certainly on all of those matters on which our opinion would be asked if the head of the government were at a council table in London. As the situation is now, we are able to give a reply immediately to any communications of the kind for the simple reason that the cabinet is together in Ottawa; I can consult my colleagues in a very few minutes and we can reach our decision in no time, unless the matter be one that requires considerable discussion. In that event it is possible to get the consensus of view much more quickly than could be done by cabling from England to get possibly one set of views here and then trying to reconcile them, say with different opinions held by the government representative in London.

Mr. COLDWELL: In the annual report of the Secretary of State for External Affairs there is a little note on page 10 about which I am curious. It reads:

> On September 6 a treaty amending in respect of Canada certain provisions of the Anglo-United States treaty for the advancement of peace of 1914 was signed by the Canadian minister and the Secretary of State.

Mr. MACKENZIE KING: My hon. friend will recall that at the time William Jennings Bryan was Secretary of State in the United States, the treaties referred to were made. I am informed that the original treaty negotiated by him applied to Canada as part of the British empire. The present treaty is in the name of Canada.

Mr. GREEN: May I ask the Prime Minister on what basis young Canadians are selected for service in the Department of External Affairs? We seem to have recruited a number of remarkably able young men, one of the ablest perhaps being the acting under-secretary of state, Mr. Norman Robertson, who sits before the Prime Minister at the present moment, and who is a distinguished graduate of our university of British Columbia. I think it would be of interest to the committee if the Prime Minister would tell us in what manner these young men are chosen. There must be many bright young Canadians who would be only too glad to get into the service of this department. Under what conditions can young men enter this branch of the service?

Mr. MACKENZIE KING: The Department of External Affairs is one part of the general civil service, and admission to the department, if I may use that expression, comes about in the same way as it does in other departments of government, namely, upon examinations which are fixed by the civil service commission. The department makes known its needs by applying to the commission; those who wish to enter the department send in their applications. When the time comes for an examination they take the examination. As I understand it, the examinations are not confined merely to those which are written. There are oral examinations, and the deputy minister of the department has acted with other members of the public service as an examiner at oral examinations with

a view of sizing up some of the qualifications of candidates which might not be apparent through the written examination.

The department does draw candidates from all parts of Canada and from all of the universities. Care has been taken, I believe, by the universities to make it known to students that there are opportunities in the government service in the Department of External Affairs.

The work of the department is pretty generally known. Those who are taking courses such as economics and political science at the universities and the young men and young women who are interested in foreign affairs send in their applications to the department. I suppose that hardly a week and never a month passes when I do not receive some communication asking how an individual can get into the department; and the same is true, of course, to a much greater extent with the deputy head. The department has a large waiting list of names of those who desire to try the examinations, also a list of those who have passed; and as opportunity arises, those who have passed the examinations are drafted into the service.

I think I ought to say, and I am sure my hon. friend would wish me to say, that the late Doctor Skelton, having held at one time the position which he did at Queens university, having taken the interest that he did at all times in students, made a point of endeavouring to discover young men in different parts of the country who would be well suited to the Canadian public service. He did what he could to encourage the best of them to try the examinations and, as far as he could, enlisted their services subsequently.

I should like to add that I agree with my hon. friend in all that he said about the acting under-secretary of state. I congratulate his university upon having sent to the public service of Canada one who lends distinction to the university as well as to himself.

Mr. CHURCH: The Prime Minister has given an account of this famous department of his, the Department of External Affairs. I have read all the discussions in *Hansard* during the many years since this department was established, and in my opinion its establishment is one of the many reasons why we have the present war. Away back at the time of the treaty of Versailles the government of the day set up this department. In an address on May 26, 1938, I gave a summary of the circumstances of its origin and the functions proposed for it, and its history and the separate acts proposed under it.

Immediately after the great war the League of Nations was established as a part of the treaty of Versailles. Great Britain agreed to this at the behest of President Wilson, and the league was established, but without obtaining the ratification of the senate of the United States, and they refused to endorse it.

The Canadian government proceeded then to make and sign treaties separately, and so signed the halibut treaty. They insisted on a separate seat at the League of Nations; they claimed the right to separate representation at Washington and a separate embassy in the United States, for what purpose? To appease Washington. I would be the last person to say anything against the government in Washington, but Washington is quite capable of looking after its own affairs; that is a primary function of good government on the part of our kinsmen there, to protect and look after their own interests, first and last. I would that Canada would look after its own affairs as successfully.

As regards these amateur ambassadors whom we send over the seven seas, I have consistently opposed that policy. Who instructs them, and what is Canada's foreign policy? I am the only member who has opposed separate embassies and the dividing of Great Britain's representation at Washington and other capitals in the seven seas; and I did so because I believed that it would inevitably lead to division and drifting away from the mother country. We have seen the results. Hitler was thus led to believe that the dominions would not back up the mother country. In 1914 a similar thing happened, in the days of the kaiser, when we were slow to see the way the great dominions were drifting away from the empire.

As I look over the items of expenditure, which have increased herein by leaps and bounds, I ask, what are the functions of these so-called diplomats and who instructs them? They are just a lot of amateurs and only learn by experience. The ablest diplomats we have had in the history of the British empire are the permanent civil servants sent out by the foreign office; I will give the committee some names. Instead of the type of politician whom we have had representing us for the past seven years, Britain had its ablest ambassadors at Washington before and after the great war, men like Lord Pauncefote, Sir Esme Howard, Sir Robert Lindsay, and the war-time ambassador, Sir Cecil Spring-Rice, who was succeeded by two British cabinet ministers and politicians with no diplomatic experience, Lord Reading and Sir Auckland Geddes. True, the papers did not write up these skilled diplomats I first named as they do the politicians appointed.

I have opposed and still oppose the principle upon which this vote is based of dividing

Britain's representation. Are we or are we not a part of the British empire? If we are, why do we seek, as we have sought ever since this department was created, to divide Britain's representations in external affairs. That sort of thing is very largely what has caused this war. It led to trouble as soon as the department was created. We have heard much talk about "Canada a nation". Yes, it was a nation, as I said ten years ago, on the front pages of United States magazines and at five o'clock teas and ten o'clock dinners at Washington. We were a nation, all right, then, but we were a pauper in actual performance of paying for a fleet to defend our shores. What happened? We sent a whole lot of novice ambassadors down there, with the result that the politicians in the senate and house of representatives put it all over them in diplomacy. Now we are dumb, dumb as an oyster; we have been afraid, during these past three or four years, to say one word about what is going on in the senate and in congress, criticizing Britain and her dominions at the seat of government, and so have contributed something to the conditions which led to war. Canada has kept silent and not replied to all the four years' attacks there on the mother country before this war.

As I have said, one consequence of the creation of this department was to divide Britain's representation, and to lead Hitler to believe, as once the kaiser believed, that the dominions would not support the mother country any longer. It is a phase of separatism and isolation from the mother country, with the result that for a year or two prior to the present war the dominions were a drag on Great Britain. I say this advisedly. For the last three or four years, as this discussion has come up, I have given my personal opinion. A great French prime minister once said "You can never deal with Great Britain with regard to any treaty, because she has always to consult five or six overseas dominions, with the result that when the case has been studied, they can never reach any agreement." What he stated has proved to be correct.

Take the case of Japan, our old and faithful ally. I notice that part of the present vote, item 37, for these various embassies relates to Japan. What happened with Japan? To appease the United States the government has driven Japan into the German orbit by the Washington treaty of 1921. During the great war Japan looked after the whole of the Pacific ocean, enabling Britain to turn her back on the Pacific. Japan looked after China, the Indian empire, the six hundred miles of Canada's western coast, and as far east as the gulf of Aden and the entrance to the Mediterranean, with the result that as far as Canada is concerned, our interests, including our shipping in the Pacific, were safeguarded.

In the great war to which I have referred, Germany kept the whole civilized world at bay for four and one-half years, although we had then as our devoted allies Italy and Japan, and, during part of the time, the United States and Russia.

This is going to be a long drawn out war and diplomacy will play a very important part in it. We have seen how, largely by diplomatic means, Germany has swept through the Norwegian and the Baltic countries, the Netherlands, the low countries and others. The speed of it shocked the people of the United States and Canada.

I repeat that I am and always have been opposed to the principle on which this vote is based. It divided our empire. It drove Japan, for thirty years our faithful ally, out of the alliance. Two years ago, when these estimates were up for discussion, we declared that Canada's defence and external affairs policy were based on two things: first, home defence, and, second, to protect our neutrality provided a foreign foe invaded our territory on its way to attack the United States. These were the two cardinal principles. Take Italy. As a result of our becoming a nation overnight we passed sanctions against Italy with respect to Ethiopia, and then all of a sudden, in three months' time, those sanctions were rescinded, with the result that Italy, an old ally and a loyal friend of ours, was driven into the German orbit. We did propose a few years ago to establish another embassy in Italy, but it was not consummated.

With regard to the other part of the discussion, I suggest that we have here another means of separating our representation in the action that has been taken in respect of the present French government. The British government has recognized the provisional government of General de Gaulle as an ally, and Australia followed three months ago in the recognition of de Gaulle as an ally, asking the Vichy representative to go home. Canada is divided on the question. Here we find Britain with one policy and Canada with another. Australia and New Zealand have a different policy from ours, and side with Britain. Vichy is doing Hitler's work and bidding and we should close it up in Canada.

A part of this vote is for the purpose of maintaining a sort of dominion embassy in Dublin to Eire. In my opinion, the Canadian people are opposed to this idea. We are spending $30,000 of this vote on this particular work, while our shipping is in a very precarious state owing to the actions of German

submarines and bombers in the vicinity of Irish ports on the west and northwest coasts of Ireland. We are spending, I say, a considerable part of this vote for the maintenance of a sort of embassy in what is not a British dominion but a separate republic, and a neutral. Why should we spend money over there, while Britain has her hands tied behind her back by the loss of the use of these bases, and shipping and tonnage are being sent to the bottom of the sea? Many ships of the merchant marine have been sunk, our brave sailors drowned, and altogether our shipping faces a grave menace. We should close our embassy in Eire, in protest. It is not in the public interest that we should spend money in a neutral country which is not a British dominion, but doing Hitler's work, and the lights of Dublin and other cities enable Hitler to attack Wales and England.

Further, I believe that we should have a change here with regard to the Vichy government. Let us follow Britain in this matter. We cannot blow hot and cold in these matters. No one knows how many ships of Canadian and British register have been ruined in consequence of lack of proper protection by the right to use these ports in this war, ports which in the war with Napoleon caused damage at the back-door.

Coming to the United States, in connection with this particular vote, which is a large one, I would point out that for nearly two years we have been able to get along without a permanent representative there—almost since the war started. It was a great mistake to open that embassy, because it led to considerable friction between the mother country and the United States before and after the last war. We appreciate all that the people of the United States and their splendid president have done for us, but we must not rely to too great an extent on others. It is safer to rely on ourselves. We must not forget that a year ago we depended upon France and the Maginot line. Everyone said that the Maginot line would hold until Britain and the dominions were prepared, and it failed. We are now depending on the United States for protection this year, as on France last year. I suggest that it would be better for us to depend more on the mother country and on the dominions in the present battle of Britain, both in the old country and in the Mediterranean as help from America may come too late. Mr. Knudsen shocked congress by telling them that it would take two years to get munitions and two years to train men, and in the meantime the war is becoming a grave menace to the empire. No one knows to whom this country will belong even at the end of this year.

I have great respect and admiration for the people of the United States; my respect for them is second to that of no one in this house. At the same time I believe in the policy laid down by Sir John A. Macdonald when he said, speaking in 1844 at a nomination meeting in the city of Kingston, that the present and the future of the people of Canada should always be wrapped up in the mother country, and our maintenance of the British connection forever.

I have been opposed to the policy of giving away air bases. I fail to see why air bases should have been given away from Newfoundland all the way down to British Guiana, bases which the United States have wanted for a hundred years and only got when they found the empire in peril. This move would not have been needed had not the finest army, navy and air force been scrapped in order to please pacifists and those who believe in collective security. An armed Britain would have prevented war. The giving away of these bases has been very much opposed in Britain. Some say that it was done at the suggestion of Canada. If so, then I say that Canada acted with very poor judgment in urging that it should be done; because, after all, the Channel islands and Somaliland have been ceded, and now all the bases from Newfoundland, the key to the St. Lawrence, right down to the gulf of Mexico have been handed over under a ninety-nine year lease—practically a freehold—in exchange for fifty obsolete ships and some munitions up to now paid for on the cash-and-carry plan.

This particular policy will in the end drive Britain out of the western hemisphere in a hundred years, and I am opposed to it as a policy of handing over to the United States parts of our empire to pay for tools. It is not in the interests of the people either of Canada or of the empire at large, and I submit that it has come about as the result of our having separate embassies, and of scrapping the finest army, navy and air force the world ever had, to please the pacifists.

With regard to Rhodes scholars, I have nothing to say against them. In fact, I know most of those from the Canadian universities and I am sure they are good men. But Cecil Rhodes did not intend that the principles which some of them advocate should ever be applied to the empire or expect to see the day when such a separatist drift would start. In my opinion, some politicians sent by us as ambassadors have caused harm in connection with these foreign legations of ours. They do not understand anything about diplomacy and have had no training. A good diplomat never makes speeches but works hard. He sticks to his work like the great men I have named.

Good diplomats are not written up by the press as the politicians were at Washington. Such men as Salisbury, Palmerston, Lansdowne and Sir Edward Grey were ambassadors for the whole empire, making friends for the British people throughout the world, with the result that when the last war came we had four or five allies, now against us.

I have been opposed to the whole principle on which this vote is founded. I have seen the result of this policy, and all that I have said on this subject since I entered this house has been vindicated. In the days of the Roman empire, the Emperor Caligula appointed his horse as a diplomat and ambassador. I suggest that we do not train in Canada diplomats fit to go and take over such work. We have seen the result in Japan. Britain has been driven out of that country after she has spent large sums of money there. We have seen the result in Russia. They never moved a finger to help Czechoslovakia. When Germany started to march, Russia always stood still and urged the rest of the world to fight Germany. We see the result of this separatism, dividing Britain's representation all over the world.

The vote at present under discussion is a very large one, and I have opposed it. We have a legation at Washington; we have also a great many commercial and trade agents in the cities of the United States. There is a great deal of duplication in this dual representation abroad. Our embassies were washed out and had to leave France, Belgium, Holland and many other places. We have started with respresentatives in three more countries of the British commonwealth: Australia, New Zealand and south Africa, and dear knows where it is going to end; all to show that Canada is a nation.

When the war broke out, we had no army, no navy and no air force; just as in the war of 1812 we were in complete dependence on the mother country for all the freedom and civilization that we enjoy to-day. But for the British fleet and air force, since this war started, the whole American Atlantic seaboard would be blackened out. We have been slow to give any praise to the people of the mother country for what they have done for us. I have great admiration and respect for the great President of the United States and for that country, but instead of depending on them and our legation there we had better take notice of the handwriting on the wall and depend on ourselves the way Britain does, because up to the present hour there is no one to fight the enemy but her. Up to this hour she has paid on a cash-and-carry basis for all the munitions she has received. What is the necessity for Canada having this separate representation along the lines indicated? Simply to show that we are a nation. But we know in our hearts that we are not; we are Canadians. All parties in this chamber know that if Hitler came here, we would not have any party; he would treat all parties alike. All the freedom we have we owe to the mother country. The United States also knows in its heart that for two hundred years it was the protection of Britain and its loans from 1840 to 1940 that built up that republic and its great cities.

There are two sides to this question. I have always opposed the principle on which this vote is based; it has never been in the interest of the people of this country; it has led to untold trouble. The League of Nations union is one of the most mischievous organizations we have in the British empire. It represents the line of thought that led to the war. Now we are in the war and the time has come to close our ranks. We are grateful for the help given by the handing over of the fifty destroyers, although some were old and obsolete and some have to go back for repairs. It was, however, a very kind gesture, and the people of this country expressed their gratitude for that help. But the help is really very little, and it has been paid for. While help is now coming to a greater extent, it is hoped it will not be too late.

Why do the government not instruct our minister to Washington to take up this question of America's help to Canada in munitions and tools? If Canada is going to spend all this money on the Atlantic and the Pacific and across Alberta to protect the shores of the United States why should not the United States come across and pay Canada for some of this war work? As I said last Thursday, as I read the lease-lend bill in the congress reports, it applies to Canada and other dominions, and I read the opinion of the attorney general of the United States that we could get this help. It applies to any of the dominions that are fighting for democracy. Under that bill I believe that if application were made, Canada could get a great deal of help in connection with the joint defence scheme, and on our efforts to protect our neutrality. A joint defence board has been appointed and one representative of the External Affairs department is there; I object to the United States part of the board getting all the details of Canada's defences and what we propose to do, tabling the correspondence and plans in the United States senate before this high court of parliament knows a word about it.

If Britain and the dominions stand together, we shall win this war. From 1923 to 1937

under the premiership of MacDonald, Baldwin and the rest, led by the pacifists, the army and the navy were largely scrapped, capital ships were reduced from seventy-five to fifty, the definition of a capital ship changed. They would not build destroyers, and the vote for the army, the navy and the air force was reduced in one year by £5,000,000. We shared the responsibility for that. By this famous statute of Westminster, this empire-wrecking statute, Canada is supposed to look after all her coast-line outside the three-mile limit, and these are some of the causes that led to this war. If we extend this separatist embassy principle, it is going to destroy the whole British empire. New Zealand and Australia have exempted themselves from some of the main clauses of the statute of Westminster and are closer to the mother country.

We see what this statute has done in the case of the south of Ireland. We see how Britain gave up her bases there, and what difficulty and destruction it has caused, what loss of British ships and British seamen and Canadian seamen. They abolished the Neutrality Act, abolished the office of lord lieutenant, abolished appeals to the privy council, removed the king's head from the stamps and coins and set themselves up as a republic. That is a sample in one dominion of the results of this policy of separatism and drift from the empire.

I have great respect for the Prime Minister; he is working hard; he has given a great deal of thought to these problems and deserves great credit for the work he has done. But this policy of drift from the empire has been very fateful to the empire because unconsciously it led Hitler to believe that the dominions would not support Britain. The Prime Minister was over to see him one day and had a talk with him, and very kindly gave us a full account of his visit. I was glad to see him go over there, I do not know Hitler myself; I have never had the pleasure of his acquaintance. I did meet Von Ribbentrop when he was a social lion here and appeared at all social and sporting functions in Canada. He took away with him some good tips about this country.

A good many hon. members have been to Geneva; the former representative of Grey-Bruce in this house proposed that I should be sent to the league, but fortunately I was not sent and would not go if I were. The hon. member for Selkirk had a little trip there; I was pleased to see him go. But that cry "The league, the league and nothing but the league", and collective security, are responsible for the present troubles of this world, and threaten in this war the destruction not only of Britain but of religion and civilization, because Britain is fighting for her very existence. Last year we depended on France; now we depend on the United States; but in fact our fate is dependent on the battle of London, on Britain and on ourselves. If we stand together and depend on ourselves we shall win the war.

Mr. NICHOLSON: I notice the item in connection with the legation in Paris has been reduced from $75,000 to $12,000. How many are still attached to the staff of the former legation in Paris?

Mr. MACKENZIE KING: The minister, Colonel Vanier, is not at the present time serving the legation; he has taken on other duties at the request of the government in respect of the permanent joint defence board. Mr. Dupuy, who was next in rank, is chargé d'affaires of the French legation. His headquarters are in London at the present time, but he is serving also as chargé d'affaires of the legations to Holland and Belgium. He has associated with him a stenographer and a messenger. That is the extent of the legation staff at the present time.

My hon. friend will notice that the government asks for the appropriation in a lump sum. This is to make it possible to transfer members of the diplomatic service from one post to another, as occasion may arise. We are following the practice of the United Kingdom in that regard. I doubt if any year could have illustrated better the desirability of that form of appropriating money for the diplomatic service than the year which has just passed. I say that because we have had to move men rather rapidly from one part of the world to another.

Mr. HANSON (York-Sunbury): *Force majeure.*

Mr. MACKENZIE KING: Because of circumstances beyond our control. At the present time the other French legation is down to a minimum.

Mr. NICHOLSON: Could the Prime Minister give the committee any information respecting the number of Canadians in France at the time of the occupation? How many Canadians are still in German-occupied France?

Mr. HANSON (York-Sunbury): That information was given us last night.

Mr. MACKENZIE KING: If the hon. member will look at my statement in committee last night, he will find all the information I am able to give under that head.

Mr. HANSON (York-Sunbury): I should like to ask some questions respecting our representation at Dublin. I have a special interest in our high commissioner there. He is a friend of many years' standing, and a jovial Irishman. I have, however, often wondered just where his qualifications to become a diplomatic representative at Dublin arose, and why there was any necessity for a representative at that point. Then, what were the qualifications of the former hon. member for Bow River to become secretary of that legation? Why was he appointed to that post? What is the cost of the Irish legation, and what is it doing? So far as I know, there has been no publicity respecting any of their activities, and I should like to know if at this time when, as the Prime Minister knows, there are grave misgivings respecting the attitude of the government of southern Ireland in connection with the war, they are a useful function of this government.

Mr. MACKENZIE KING: One of the reasons why Canada has appointed a high commissioner to the Irish Free State is that the Irish Free State has appointed a high commissioner to Canada. At the time of the appointment by the Irish Free State hope was expressed that Canada might reciprocate. We have felt it wise policy to have representatives in all the other dominions. I believe my hon. friend will agree that, apart from all else, it would have been somewhat invidious if in our representation within the commonwealth, we had left out any one of the dominions.

The reasons, however, for appointing the high commissioner to the Irish Free State were the same as those which prompted us to appoint high commissioners to other parts of the commonwealth, namely, to have some one at the capital of each who would be in touch with members of the government and who would be in a position to bring to the government's attention matters of Canadian concern, and to inform the government in Canada of matters of interest occurring in the country to which the high commissioner may have been sent, also to look after the interests of Canada and Canadians generally.

May I make one or two observations respecting the services rendered by the high commissioner, Mr. Hall Kelly, and the secretary of the legation, Mr. Garland. While publicity has not been given to reports received by our government, the information we have received from that source has been of value. Through the reports we have received from our high commissioner and his secretary we have been in a position to assess the situation in Ireland itself in a manner we would not have found possible had we not had the inside information given us.

Mr. HANSON (York-Sunbury): Would the Prime Minister be good enough to tell us the terms of the assessment? I should like to know what Ireland is doing, and how it affects us in the war effort.

Mr. MACKENZIE KING: My hon. friend would hardly expect me to discuss the domestic affairs of any other part of the empire. In fact he himself has indicated there are internal difficulties in Ireland with which the government of Ireland itself has to contend. We should not be helping the situation there were we, in this parliament, to begin to discuss the affairs of Ireland. That is only a general statement. It is, I believe, applicable to the affairs of any country.

Then, as regards the secretary of the legation, may I say that as hon. members well know, Mr. Garland had exceptional parliamentary experience. Those who sat in the house with him must have realized that he was one of the ablest of the members in the house of that day. The government has endeavoured to show its breadth of view in not restricting its appointments to members of one party, or of carrying on public affairs in a party spirit—a procedure of which we are sometimes accused.

Mr. Garland was not a supporter of the government; he was an opponent of the administration.

Mr. HANSON (York-Sunbury): I would not say that.

Mr. MACKENZIE KING: Oh, yes, he was.

Mr. HANSON (York-Sunbury): I would not say that.

Mr. MACKENZIE KING: And a very formidable one.

Mr. HANSON (York-Sunbury): A source of timely help in trouble.

Mr. MACKENZIE KING: As I recall, he was the one member of his party whom we on this side of the house considered most effective in debate.

Mr. HANSON (York-Sunbury): He was a good debater; I admit that.

Mr. MACKENZIE KING: I am sure the committee generally agrees that in the appointment of Mr. Garland as secretary an excellent choice to that office was made.

A few minutes ago the leader of the opposition heard one of his supporters from Toronto describe the qualifications a successful ambassador should have—the type of men who existed in the days of Palmerston and Canning. Among the other qualifications mentioned was that of being able to make friends. The

leader of the opposition has just said that Mr. John Hall Kelly possesses that qualification in fine measure.

Mr. HANSON (York-Sunbury): A very jovial man.

Mr. MACKENZIE KING: I have no doubt Mr. Kelly's genial personality has enabled him to get information which could not have been obtained by anyone less genial and less genuinely Irish in some of his characteristics.

Mr. DOUGLAS (Weyburn): It becomes almost a truism to say that we are going to face difficult days. Speaking in the house only a short time ago, the Prime Minister himself said that experts were agreed that not only was there a possibility of an attempted invasion of Great Britain, but that synchronized with it there was the probability of attacks on Gibraltar and Singapore. No one knows just to what extent the area of the war may spread. Thoughtful people in Canada of necessity must be somewhat concerned, if the war stretches over a large enough area, as to whether or not parts of Canada may be exposed, not so much to the danger of invasion but to the danger of attack by occasional raiders of different sorts.

In view of what I have said, I should like to ask the Prime Minister two questions, knowing that the answers can be given in only a limited way. I should like to know, first, whether the plans for the proposed Alaskan highway have been completed, whether any work has been commenced, and, if so, on what financial basis between Canada and the United States it is being carried out. When will the work be completed?

My second question has reference to the plans formulated by the joint defence board. Again we cannot expect the Prime Minister to make any statement as to where there may be defence projects. I do say, however, that the House of Commons has a right to know that certain plans are being proceeded with. The joint defence board travelled across the country, midst the fanfare of trumpets, and I believe the people would be reassured if they knew the plans were being carried into operation. If they are, we should know something of what the financial arrangements are as between Canada and the United States, whether work has been started or will be commenced in the near future, and approximately what it will cost the Canadian people and the people of the United States of America. Those are two matters in connection with which the Prime Minister might make a statement. I realize that he must use discretion in giving out information, but he should be able to tell us enough to assure this committee and the country that adequate steps are being taken to arrange for mutual assistance on the part of Canada and the United States in the event of certain contingencies arising in the near future.

Mr. MACKENZIE KING: I do not know whether my hon. friend was in the house last evening, but at that time I was asked a similar question and sought to reply. My statement will appear on *Hansard* of yesterday. I referred to the work of the permanent joint defence board and also to the government's attitude toward disclosing plans which have been recommended by that board. I did not refer specifically to air bases on the route to Alaska, but I might say to my hon. friend that the government is proceeding with the work of establishing bases in accordance with the recommendation of the joint board.

Mr. DOUGLAS (Weyburn): I was referring to the Alaska highway rather than to air bases.

Mr. MACKENZIE KING: Perhaps I could give what information I have. Pursuant to recommendations of the permanent joint defence board, the Canadian government have arranged to provide suitable landing fields complete with lighting, radio facilities, meteorological equipment and housing for personnel at Grande Prairie, Fort St. John, Fort Nelson, Watson Lake, White Horse, Prince George and Smithers. These fields will provide all the necessary ground facilities for planes travelling from the United States or Canada to Alaska. They will be valuable for commerce as well as for defence purposes.

I have given that statement because it has some bearing on the other matter. The joint board did take into consideration defence problems on the Pacific coast as well as on the Atlantic, and these bases are being established in accordance with the recommendation of the board. The board made no recommendation with respect to the Alaska highway. I believe my hon. friend knows that this matter has been referred to commissions which are inquiring into the matter at the present time.

Both the Canadian government and the United States appointed commissions to examine into this question of the proposed Alaskan highway, and an interim report was made in April, 1940. Since that time further reconnaissance surveys have been made covering possible routes in northern British Columbia and the Yukon territory. A meeting of the Canadian commission is to be held within the next few weeks, which will be followed

by a joint meeting of the two commissions to consider further the general problem. In the meantime the Canadian government has arrived at no decision as to the advisability or otherwise of constructing the proposed highway.

The other matter raised by my hon. friend had to do with an assurance that definite action was being taken in connection with the recommendations of the permanent joint board. I can give him the most positive assurance on that point. The board has made many recommendations to the government, some of which have been referred to the Department of National Defence, and others to the Department of National Defence for Air and the Department of National Defence for Naval Services. With possibly one exception, and I am not at all sure that that has not been dealt with, all the recommendations, so far as I am able to recall, have been approved by the administration and steps taken to carry them out.

As to financial arrangements between the two countries, that question does not arise because each country makes provision for the work to be done within its own jurisdiction. The work to be done in Canada will be paid for under the War Appropriation Act, and such work as is being done in the United States will be paid for out of appropriations by the government of that country. I do not think I need say much more than that. My hon. friend realizes that I cannot refer to particular projects, but I can say that they are quite extensive.

As an illustration of what is being done, I would refer hon. members to something which evidently has not been noticed by some of their number. At the present time there are United States troops in Newfoundland. They are helping to defend the United States coast if it needs defence, and they are at the very front of our own country. In the event of Newfoundland being invaded, I leave it to the committee to surmise what action they would take. I understood the hon. member for Broadview (Mr. Church) to say that the United States were doing nothing at the present time in connection with this war. I give this as a concrete example of the kind of steps that are being taken in a very practical way by United States soldiers to take their place at one of the bases, which I thought I heard the hon. member for Broadview say should never have been transferred.

Mr. GREEN: When the house met eight days ago, the Prime Minister tabled the report of the special committee on orientals in British Columbia, which report was dated December, 1940. One recommendation by that committee reads as follows:

[Mr. Mackenzie King.]

That, both for purposes of civil security and in order to deprive persons hostile to the Japanese of a constant and effective ground for complaint, there should be a registration of the Japanese population of British Columbia. (Suggestions for the procedure to be adopted are attached as appendix B.)

The method of reregistration set out in the appendix is that in addition to the information contained on the ordinary registration card for Canadian residents, the cards used for this reregistration should have a space for a small photograph of the holder, together with his description and his national status, whether Canadian born, naturalized or Japanese. It suggests also that the reregistration should be in charge of the Royal Canadian Mounted Police. I should like to know if that recommendation by the committee is being followed by the government and, if so, when the reregistration will be completed.

Mr. MACKENZIE KING: The recommendation has been approved by the government and steps have been taken to proceed with the registration immediately. Preliminary steps have already been taken and I am not sure but that the actual registration has begun. If it has not, it certainly will be within the next day or two.

Mr. GREEN: The reregistration is to be completed as quickly as possible?

Mr. MACKENZIE KING: Yes.

Mr. REID: Will this registration include children as well as other members of the family?

Mr. MACKENZIE KING: I am under the impression that children will be included, but at the moment I cannot say positively.

Mr. NICHOLSON: I read what the Prime Minister said last evening with reference to Canadians in German occupied France, but I could not find any reference by the Prime Minister to the conditions that prevail at the points where these Canadians are. I have in my hand a copy of the British *Hansard* which contains a full statement given by Mr. Eden of the conditions under which the 4,000 British subjects in occupied France are living. It was pointed out that the British government was in touch with the United States Red Cross and the United States embassy in Paris, and apparently they had a good deal of information. Has this government obtained similar information?

Mr. MACKENZIE KING: I think the report of Mr. Eden which my hon. friend just read will give him about all the information we have. Canadians are not concentrated in any one place as Canadians, but they are together with other British subjects, and what-

ever Mr. Eden has said with reference to British subjects in the occupied areas in France will apply equally to Canadians who are there.

Mr. BROOKS: Do I understand the Prime Minister to say that the registration of Japanese will apply only to British Columbia? If so, why should there not be a registration of Japanese all over Canada? Why pick out only one province?

Mr. MACKENZIE KING: The Japanese population in British Columbia, as my hon. friend knows, is quite large in relation to the total population of the province. The Japanese in other provinces in Canada might be looked upon more as individuals. They are pretty generally known wherever they are. I feel that the purpose of the whole inquiry in British Columbia was to meet a British Columbia problem rather than one that was of equal concern to other provinces.

Mr. GREEN: Is the reregistration to be carried out exactly in the manner recommended by the special committee?

Mr. MACKENZIE KING: There is, as my hon. friend knows, a standing committee which has been appointed to follow up the work of the commission which made the inquiry. The standing committee has made one or two modifications, I am told, of some of the recommendations, and to the extent to which they have made such modifications the original plan would be modified.

Mr. GREEN: May we know what the modifications are?

Mr. MACKENZIE KING: I am informed that one is thumb printing in connection with the registration.

Mr. FRASER (Peterborough West): May I ask the Prime Minister whether in the event of a Canadian trade mission going to South America again it will also visit central America? The reason why I ask the question is this: the highway to Alaska has been mentioned, and central America is building a highway connecting with south America which will link up with the Alaska highway. I know that the people in central America are friendly to Canada. Is the government sending a trade mission to central America?

Mr. MACKENZIE KING: The original programme was for the trade mission to go to south America only, but I agree with my hon. friend that central America deserves quite as much attention as the countries of south America with respect to matters of trade, and I have no doubt it will be visited by a similar mission at some early date.

Mr. NEILL: To go back to the Japanese for a moment, would the Prime Minister indicate what steps will be taken to ensure that all Japanese will be registered? It is alleged that a considerable number of Japanese are in British Columbia illegally. I think the number alleged is greater than the actual number. Suppose there may be a comparatively small number, say two or three hundred. A previous investigation indicated that there might be only about one hundred Japanese in British Columbia illegally, but very few steps were taken to remedy that situation. There is now to be another registration, and there will undoubtedly be a number of Japanese who have reason to fear that investigation. Is there any way by which it will be known that every Japanese will be registered? The obvious thing for those Japanese to do who are illegally in the country would be to abstain from registering. What steps will be taken in that regard?

Mr. MACKENZIE KING: Every Japanese will have to have a registration card to identify him. I doubt very much if any Japanese would be able to continue in any kind of work in British Columbia without having a registration card on his person. Without it he would get into difficulties in short order. The Japanese population in the province would be pretty generally known to the authorities there.

I think I ought also to say this. As my hon. friend knows, there are many of the Japanese nationals who feel very keenly about not being regarded in the same light as other nationals, and they are only too anxious themselves to lend assistance to the federal government in seeing that all Japanese are registered in order to protect their position in the community. They are rendering valuable assistance to the government at the present time in this work.

Mr. NEILL: I can understand that those Japanese who are legally in the country, and they are a large number, will surely make it their business to register, but I cannot conceive that they will go out of their way to give information against those Japanese who have illegally entered the country, because whatever may be the opinion of the Prime Minister or of the government here, we in British Columbia are firmly convinced that "once a Jap always a Jap." The words "being naturalized" are just like a snowflake on a river. It is a mere gesture on the part of the Japanese to secure some privilege such as a fishing licence or something of that kind. The Prime Minister says that they are pretty generally known to the authorities. That might be true where there are twelve

Japs, let us say, in a village, but it would not be true of a larger place, nearly all Japanese.

The Prime Minister also says that if they were not able to produce a registration card they would not be able to continue in business. In the last war, white men and all others had to be registered, and to make sure all were registered you had to produce your registration card when you bought a railway ticket and other things of that kind. Nothing of that sort so far as I have heard has been recommended in the report of the committee. Those who can qualify will get their registration card, which they will be proud to show as evidence of their all-rightness, but those who are illegally in the country will not go near the place to be registered. Why should they? If, subsequently, they want to purchase a railway ticket or something of that kind and cannot get one without producing a registration card, they will borrow one from a friend. That is a common trick.

There was a regulation made that any Japanese who had served in the great war and could produce his military discharge could get a fishing licence without being subjected to the quota restriction which applied to the ordinary Japanese. What did they do? Every Japanese with a military discharge goes fishing. He does not really. He may be running a cigar store, but he will farm out his fishing licence to another Japanese, who produces the borrowed discharge. They are all alike; you cannot tell one from the other. So it was the practice to peddle out his licence. Every Japanese with a military discharge obtained a fishing licence for some other Japanese. Occasionally they are detected. If it is obvious that they have obtained the licence illegally, it is taken away from them. But that peddling goes on all the time.

I had not intended to bring this subject up at all for various reasons connected with diplomacy and because of the statement which the Prime Minister made earlier in the session, that anyone who made any suggestions dealing with the subject of Japanese in British Columbia was more or less disloyal or at any rate would be regarded as doing it solely for political effect—a thing which some of us in British Columbia do not appreciate.

Mr. MACKENZIE KING: I wish my hon. friend would quote any statement I made to that effect. He surely has misunderstood the statement I made if he interpreted it as meaning that any member of parliament could not say what he pleased without being regarded as disloyal. I have made no statement of the kind.

[Mr. Neill.]

Mr. NEILL: I was not prepared to speak on this subject to-night, and I rose only because the subject came up. The Prime Minister's statement will be found in *Hansard* No. 3, I think, reporting the proceedings on the third day of this session, which began on the 7th of November. The Prime Minister most distinctly stated that he would regard it as highly undesirable if any members made any remarks to excite in any way displeasure with the Japanese. He said he wanted the house to understand it was not just a casual or careless remark which some man might make, because that was not so harmful, as the rest of us knew that such statements were born only of a desire for political effect—it was that remark which I did not like—but that when it went to Japan it was represented as a statement, not of some careless, reckless, unworthy-of-confidence man here, but as the decided opinion of the Canadian parliament; and that was what he did not like.

Mr. MACKENZIE KING: May I say to my hon. friend that that is quite different from saying that any hon. member was disloyal. I made no reflection on the loyalty of anyone.

Mr. NEILL: Neither did I.

Mr. MACKENZIE KING: May I say further that I believe events which have occurred since I made the statement I did in this chamber show how wise was the statement to which my hon. friend alluded. He knows, as every hon. member knows, the critical nature of the situation which exists to-day between the British commonwealth of nations and Japan. I am sure that any word of counsel which I venture to express in the interest of the empire as a whole is quite different from an endeavour to restrict any hon. member from making statements which in his judgment are in the public interest.

Mr. NEILL: I am quite willing to leave it until I look up *Hansard* to see exactly what was said, but naturally, being more directly interested than the Prime Minister, I have an exact recollection of it. I was wrong, however, in saying that it was suggested I was disloyal. What was indicated was that the statement was highly undesirable because it gave the wrong impression; that we here understood it was merely the claptrap, for political purposes, of an individual, whereas in Japan it gave a different impression.

There is one other thing—I would not ask, it is useless; but I would protest. We are dealing with the composition of a committee of four, one of whom is known to be so violently pro-Japanese that it is a matter almost of

common scandal in British Columbia. I notice that two people wrote to the newspaper asking how it was that we in British Columbia allowed a man who expressed openly the views that this man does, who is so particularly one-sided, to be employed in one of our public institutions. His remarks and his attitude at all times are so absolutely pro-Japanese that I suggest it was as unwise, undesirable and unfair to put him on a committee which would deal with anything of this kind as, to be quite frank, it would be to put on that committee one who holds such strong views on the other side as I do. I did not seek that position, nor was I put on the committee; but it seems to me that to give twenty-five per cent of the representation to one so entirely biased that his attitude has become almost a scandal, was a most unfortunate proceeding.

With regard to the Prime Minister's remark as to what has occurred since the views which were expressed in the early part of the session, I cannot recall anything which happened since then which would lead me to change my opinion. I have seen things happen. I have seen the opening of the Burma road, which certainly was not a friendly action towards Japan; yet I have not noticed any particular reaction on that account against the interests of the empire on the part of Japan. We have seen the United States take a drastic stand in a certain matter, but it also has not met with any undesirable repercussions; in fact, it seems to have had a good effect in the east, because it showed that the white man was going to be on the job.

Mr. ROWE: And what happened in the British house to-day.

Mr. NEILL: We see the same thing going on in Great Britain. Britain's action in opening the Burma road is about as good an illustration as one can have on that point. I am firmly of opinion—it is only my poor opinion, but it is founded on long experience—that, in the words of Kipling:

> You cannot breed a white man in a brown or yellow hide.

And you cannot let the brown man boss you. The white man must be dominant; his word should go. If you adopt an attitude of complaisance or anything which is suggestive of subservience to the brown man, he thinks you are afraid of him. The countries of the world have not been won for the white race by adopting an attitude like that. I still think that we should have taken a firm hand with the Japanese and all the native races, and, as a consequence, they respect you.

Mr. MacINNIS: I rise for two purposes. First, I would not like the committee to suppose that the hon. member for Comox-Alberni is expressing the attitude of the whole of British Columbia in connection with the matter under discussion. Second, I want to say that I listened to the statement referred to which was made by the Prime Minister earlier in the session, and it is not often I have heard him say anything which has pleased me so much.

In my opinion, the attitude which a few—a very few—people in British Columbia have adopted towards orientals is a disgrace to Canada. I have said that this attitude is that of only a very few; maybe I am wrong, but if many hold it, I have not met them.

About two years ago the city of Vancouver, because of the same kind of agitation, which has been going on for quite a number of years, and particularly since the war with China began, asked the provincial legislature for amendments to the city's charter to allow the city to discriminate against orientals in the matter of trade licences. When these proposals came before the municipal committee, Mr. Perry, the provincial member for Prince George, told the Vancouver city delegation that if they would substitute "Jew" for "Japanese" or "oriental", there would be no difference between what they were asking for and what the nazis had already done in Germany and were doing in the various countries over which she had got control.

There is one thing of which we lose sight. The Japanese and the other orientals are here. They are in British Columbia, and it is impossible to deport them. They are no longer Japanese or foreigners; they are Canadians, and we cannot ship them off somewhere else; whether we like it or not, they are here. The obvious thing to do, in my opinion, is to seek ways to make loyal Canadians out of them. The hon. member for Comox-Alberni says "Once a Japanese always a Japanese". My friend and I are of Scottish descent, and I may say with equal truth, "Once a Scotsman always a Scotsman". The Japanese are no different from ourselves in their reaction to life and to the things around them.

Mr. FRASER (Northumberland, Ont.): The hon. member is an optimist.

Mr. MacINNIS: If we are to have harmonious and friendly relations between the oriental population and the rest of our British Columbia citizens, we must stop discriminating against and abusing the orientals. We must find some common ground on which we can work, and I think it can be found. Is there any reason, if we should get into difficulties with Japan on the Pacific coast, why the Japanese in British Columbia should be interested in helping Canada, after the way

in which we are treating them? I am satisfied that if we treat the Japanese and our other oriental citizens aright, we shall get their loyalty, because they are no longer orientals in the accepted sense of that term. They would feel as much out of place in Japan as we would. I know them, speak to them; I visit them and have them in my home, and I have not the slightest doubt that what I say is correct. If we are to avoid the troubles that other countries have had with racial minorities, then we must take a realistic view of the situation in British Columbia and attempt to make these people feel at home among us. We will secure their loyalty by fairness and kindness and by the practice of those other attributes which we exercise in our relations with other people. Otherwise we shall have trouble. I appreciate most sincerely what the Prime Minister said on the occasion to which reference was made.

Mr. REID: In view of the turn the discussion has taken, I think I should express my views on the question, because it agitates the minds of the people of British Columbia. I do not altogether agree with the last speaker when he places those of Japanese origin in the same category as other nationals who have come to Canada or whose children were born here. I differ from the Japanese in that my first allegiance is to Canada. Therein lies the crux of the entire question, because no person can owe allegiance to two countries at the same time. I warned the house of this, before the committee that sat here dealing with the Japanese vote. In answer to a question of mine it was admitted by Japanese that they owed allegiance first to Japan, and so long as every Japanese born here is registered in Japan and is looked upon as a Japanese national he cannot be truly a Canadian. Hence my objection to them as a class. They are not an assimilable race and are different in their outlook from any other nationals in Canada.

Mr. GREEN: I do not wish to take up the time of the committee discussing this question, but I would point out to the Prime Minister in all seriousness that the quickest and the only way in which he will ever get the Japanese problem in British Columbia started on its way to a solution will be to prevent further immigration. I hear the hon. member for Vancouver East (Mr. MacInnis) say "Hear, hear". He agrees with me, and every member from British Columbia knows that the moment further immigration is stopped we can begin to solve the question. Not only would that benefit the white people in British Columbia but it would also be to the advantage of the Japanese who are living there. I suggest to the Prime Minister that under war conditions such as we have at the present time no nation could object to an order in council being put through under the Immigration Act to stop further immigration. Immigration is not extensive at the moment anyway. I make that suggestion as the quickest way to get this problem started on the way to a solution. Furthermore, the present is the time to do it. If the Prime Minister will take that step, I think he will find there will be a rapid abatement of the ill feeling between the white population and the Japanese in British Columbia.

Mr. MACKENZIE KING: What my hon. friend proposes is an exclusion act.

Mr. GREEN: No.

Mr. MACKENZIE KING: That is what it is. My hon. friend knows that there is possibly nothing in this world that the Japanese as a nation would resent more strongly than that. If he wanted to precipitate serious difficulty with Japan, the thing to do would be to introduce an exclusion act and try to have it passed. I agree about limiting the numbers, and the fact is that they have been limited to something under one hundred a year.

Mr. GREEN: One hundred and fifty.

Mr. MACKENZIE KING: The specified possible total may be one hundred and fifty, but the actual numbers that have been coming in have been under one hundred. The number has been down to something like sixty. It is due to the Japanese to say frankly that they have lived up to the undertaking which they gave with respect to limiting the number. It will be said, "How do we know that some men have not got in surreptitiously?" No one can say definitely that some people have not come in surreptitiously, but the purpose of the registration is to discover persons of that kind.

The hon. member for Comox-Alberni (Mr. Neill) asks how we can make perfectly sure that we have discovered every man. It seems to me, really without giving substantial reasons for the statement, it is like chasing one's self round a tree to look for some means of creating the impression that there are many Japanese in the country whom no one can discover. I may be wrong, but I cannot see how the standing committee supplementing the work of the commission who have already inquired into the matter, and who are free to make any suggestions they like, should not be able to follow up effectively the purpose for which the commission was created. My

hon. friend made one practical suggestion, namely, that when a man goes to buy a ticket he should be asked to show his registration card. I will pass that on to the committee and they can consider the suggestion that every Japanese who goes to buy a ticket shall be asked to show his card. That can be done, if necessary. There are many ways in which registration can be established.

Mr. CRUICKSHANK: I do not want the committee to labour under the impression that the hon. member for Vancouver East represents in any respect the views of the people of British Columbia so far as the Japanese situation is concerned.

Mr. MacINNIS: So much the worse for them.

Mr. CRUICKSHANK: He voted to give them the franchise, putting them on an equality with any white man. No one in my riding is in favour of that. I am as friendly to them as he is, and I may say as a matter of fact that when I came to this house the first time the Japanese gave me a wedding present. But no man can rise in his place here and say that he represents the opinion of British Columbia on the Japanese situation when he is in favour of giving them the vote even though it be used against Canada's participation in the war. That is nonsense. This problem can be solved. I am not worried about the exclusion of the Japanese or anyone else, but we can solve the problem in a very simple manner so far as British Columbia is concerned: Ship them all to Toronto.

Mr. NEILL: The Prime Minister was quite right when he said that he had been instrumental in cutting down immigration to 150 including men, women and children in any one year, and I give him credit for that. I know the number was reduced from something as high as 1,700. There was a thing called a gentleman's agreement that stank to high heaven, which was in force previously, and the Prime Minister was the means of reducing it to sensible and interpretable proportions. Before that, a Jap would come along and tell the agent that he was under the gentleman's agreement and the immigration man would say, "Go on." When I asked why no check had been made the answer I got was, "I never saw the gentleman's agreement."

The Prime Minister reduced the whole thing to terms of law, written agreement, which was put under the Immigration Act. I know that the number is much below 150 owing to conditions in Japan, and I believe that since the question has been made the subject of law, in that act, immigration is less than what it used to be. It used to be an open door and I admit that there are not very many coming in now. But as one member from Vancouver said, if we had stopped them from coming in at all, it would have done a great deal to soothe the popular ill feeling against them. We have enough to contend against now in their birth rate, which is thirty-eight per thousand as against eighteen or nineteen per thousand in the white races.

As the hon. member for Vancouver East says, all they want is to be left alone and they will take care of themselves. Yes, they will, as they did in Hawaii where they dominate the legislature, because there they have votes. The principles which the hon. member for Vancouver East entertains, and those of the party to which he belongs, are the very reason why there is only one representative of that party in this house to-day from British Columbia. It is simply because they let it be known that they were in favour of giving votes to the orientals, and they would vote to let more Japs in and take the quota off fishing, et cetera.

I think the hon. member for New Westminster mentioned that there was a committee of this house, called the industrial and foreign relations committee, that met here some years ago, and we received a delegation from the Japanese in British Columbia. It consisted of one lady and three men, highly educated college people, far better educated than I am or ever can possibly be, and they made a very fine impression. They were picked of course. They explained how terribly they felt; they said their heart felt bad, and they put their hand on their belly, they said it grieved them so much to feel that they could not vote. At that very time we were contemplating passing a law to compel the white people to vote because they were not voting in sufficient numbers. These Japanese talked along those lines and made a good showing. They had it all prepared of course; the brief was prepared by a clever white lawyer in Vancouver—more shame to him—and it was full of holes. But they went over big.

Then we had the privilege of asking them some questions. There is a peculiarity about a Jap when he is pulling off a gag like that; while he sticks to his text and what he is coached to say, he gets along fine, but there is a sort of innate naiveté about them, and when you ask a Jap a straight question, he is very likely to tell the truth. One man was a college professor from some place in the United States, and we asked him about a question which is known to everyone in British Columbia, the system of having two schools. They come out of our white schools at about three

o'clock and cross the road to a Japanese school where they learn the language, and the culture they call it, but they mean loyalty to the Japanese emperor whom, as you know, they worship as their god. We asked this man about this thing. Some of the younger Japanese there had rather soft pedalled on it, said there was not much of that schooling going on now, and I asked this older man, who had been out of the country for some time, what he thought about it. He said there had been a suggestion made among some of the older men to do away with this dual school business because they felt that it excited indignation among the whites, and he said—it is on record—that "we the older ones thought of doing away with it, but the younger ones, the second generation, were against it; they wanted to keep on their association with the old country."

Then I asked him about this system of two nationalities at once. They can get naturalized here, and at that time, some years ago, they still remained Japanese. Those who were born here in Canada had to register with the Japanese consul and they could go back to Japan and still be Japanese. We made so much talk about it that they introduced a rule that under certain conditions and by getting the consent of the Japanese government a Jap could actually get naturalized here and really alienate himself from Japan, but it was on one or two conditions. One was that he had done his military service—and when they have done that they have pretty well got him. Also, if he went back to Japan for a certain period, it may have been three months—no, it was less than that—if he stayed there for that period he actually became a Jap again. I said, "This is kind of convenient, isn't it, having two nationalities?" He said, "Yes, it is quite handy."

I have here an extract from the House of Commons debates in the old country. It is always held up to us that we must not take any definite stand against the Japanese for fear they might not like it and it might cause embarrassment to the old country. But this is what took place in the British house on October 10, 1940. A man named Mander asked the under-secretary of state for foreign affairs—

> —whether, in view of the approval recently given by the United States government for the export of cargoes up to one million barrels of oil to Japan he will consider the advisability of making representations to the American government for concurrent action between the British and American governments to prevent the further supply of oil to Japan.

The under-secretary of state for foreign affairs, Mr. Butler, said:

> His majesty's government understand that the prohibition placed by the United States government on the export of oil relates only to certain grades. They are and have been in touch with the United States government on this matter.

Mr. Mander: May I take it that both governments are determined to refrain from supplying to Japan everything that they possibly can which is of a warlike nature?

And someone else said:

> Can my right hon. friend assure us that the same sentimental policy which was adopted towards Italy will not be repeated in the case of Japan?

And Mr. Butler replied:

> His majesty's government can be relied upon to adopt the best policy as each circumstance arises.

There was more of the same thing. But they have no hesitation in speaking quite frankly in the British house regarding the Japanese situation, and I do not think we should be so afraid of doing it here. It is generally found, when we have spoken up, so to speak, that it has had a favourable repercussion.

I must join with the other members from British Columbia, with the single exception of the hon. member for Vancouver East, and say that I am absolutely convinced that those hon. members have voiced the sentiments of the great bulk of the people of British Columbia. That is what we are here for. They talk about its being a political question; the Japs have no votes, but the white people are absolutely opposed to giving further concessions. We are all pledged to that. Take a bold stand and it will stand us in good stead not only with the Japanese but with every native race in the world.

Mr. MacINNIS: I do not wish to prolong this discussion. The last part of it is a sad commentary on itself. I am wondering what we are fighting for in Europe to-day. The hon. member for Fraser valley and the hon. member for Comox-Alberni stated that the Cooperative Commonwealth Federation lost votes in British Columbia because of the position we took with regard to orientals. I never asked anyone to vote for me because of my racial prejudices. I would not appeal to anyone for his franchise on his racial prejudices. I have not the least doubt that before Hitler got his people into the reichstag, many of them got there by demonstrating their hatred of the Jews on the public platform. Our friends from British Columbia are doing that to-day. They say that we are losing and have lost ground. As a matter of fact, at the last federal elections in British Columbia we polled more votes than ever we did before. Let me tell my hon. friends this, that after I brought the oriental situa-

tion before this house in the session of 1936 there was not much said about the oriental question in the last election, and there will not be in the future. This is not a political issue at the present time. It is first of all a question of social justice, and in the second place a question of dealing in a statesmanlike way with a problem which we cannot shift from ourselves to somebody else.

Let me repeat we are not going to solve the problem by discriminating against the Japanese. It has been proved time and again that the more you discriminate against a race, the more that race multiplies.

Some hon. MEMBERS: Oh, oh.

Mr. MacINNIS: It is a well known fact that people with a low standard of living increase much faster than people with a good standard of living. That is definitely the case. Every discrimination practised against the orientals among us will in turn reflect itself in a harder struggle to exist among the lower-paid white workers in our society. That is the situation with which we are confronted. Do not let us think we are going to get away from it by making fun of it. I say again that this discussion, conducted in so light a manner at this time, is a reflection on this chamber.

Mr. CRUICKSHANK: I should like to make a correction, because neither the hon. member for Fraser Valley, nor any other member from British Columbia, said he hated the Japanese. The hon. member for Fraser Valley did not say that the hon. member for Vancouver East lost votes because of his stand. I frankly admit that when the hon. member for Vancouver East is elected, it is a reflection on us, because we have lost the votes.

I have often heard that the rich get richer and the poor get poorer, but I have never heard that making a political speech in any way increased the birthrate.

Item agreed to.

42. A compromise payment in discharge of claim submitted by the government of the United States of America on behalf of the late Robert Fulton Cutting, executor of the estate of McEvers Bayard Brown, $3,836.68.

Mr. NICHOLSON: Will the Prime Minister explain this item?

Mr. MACKENZIE KING: Yes. The Cutting case is a claim by the executor of the estate of McEvers Bayard Brown against the province of Quebec. The late Robert Fulton Cutting was executor of the estate. Claim was maintained in the superior court, the court of king's bench and the Supreme Court of Canada, and ultimately carried to the judicial committee of the privy council. It was for the repayment of succession duties illegally exacted by the province of Quebec. The trial court gave judgment for the repayment of the principal sum with interest. This decision was upheld by the court of king's bench and by the Supreme Court of Canada, and the judicial committee refused leave to appeal. The province paid the principal, but has refused to pay the interest. The refusal to pay was originally made by the Taschereau government, and its position has been followed in turn by the Duplessis government and the Godbout government.

The United States government supported this claim and ultimately maintained that there was a proper claim against the Canadian government by reason of denial of justice. Negotiations were under way with a view to the submission of the United States claim to arbitration. By reason of the following facts: (a) That the expenses of arbitration, even if successful, would far exceed the amount involved, (b) that there was not much prospect of success, (c) that, in the event of failure, the expenditure would be much heavier and would establish a dangerous precedent the government agreed to a compromise arrangement.

Under the compromise, it was understood that payment by the Canadian government would not be construed as a concession that the circumstances were of such a nature as to create an international obligation. The government undertook to include in the estimates an item of $3,836.68.

This item should have been included in the estimates for the last session of parliament, but action was deferred by reason of negotiations with Quebec, in which it was thought that there might be some prospect of this claim being dealt with.

I am sure my hon. friend will forgive my reading the particulars I have given. I did not have them all in mind.

Mr. HANSON (York-Sunbury): Where is the international obligation? Certainly the Prime Minister has not shown any international obligation. If anything was proved, it was proved that it is the province of Quebec which ought to be carrying this obligation. There is no basis in the statement made by the Prime Minister for the statement that there is an international obligation. There is, of course, evidence of a compromise and evidence of expediency, but there is no legal justification, on the basis of a legal obligation, in the statement the Prime Minister has made. It is a compromise as to the amount, and the Prime Minister has stated quite clearly that it is

being paid in the first instance as a matter of expediency. He has indicated that it would be cheaper to pay than to fight.

I have often met clients like that. I have never encouraged them, but I have had to give them the option. That is not a good basis upon which to make a payment. If there is a bona fide legal obligation, then let us by all means pay it. If there is no legal obligation, then let that obligation rest where it belongs. The province of Quebec which received and kept the money, had to return it, under the authority of a judicial decision, and refused to pay the interest. I believe that is the point in the Prime Minister's statement. But to say that the other taxpayers in Canada must repay the obligation of one of the provinces is too thick altogether, so far as I am concerned.

Mr. MACKENZIE KING: My hon. friend knows that the United States cannot look to the province of Quebec.

Mr. HANSON (York-Sunbury): I quite agree.

Mr. MACKENZIE KING: It has to look to the dominion. This is an obligation the dominion did not wish to have hanging over its head in its relations with the United States.

Mr. HANSON (York-Sunbury): That is expediency, too.

Mr. MACKENZIE KING: No. The decision has been reached as a result of very careful examination by the legal authorities.

Mr. HANSON (York-Sunbury): Will the Prime Minister give me an opinion from the Department of Justice stating that there is a legal obligation on the Dominion of Canada to pay this sum of money? If he will do so, and if it is based on any decent principle at all, then I will certainly withdraw any opposition I may have. But until he does that, as a matter of principle I do not see how we can agree to the payment of this sum.

Certainly, if the statement by the Prime Minister as to the facts is correct—and I assume it is absolutely correct—then the obligation is that of the province of Quebec, and that province should be made to pay it. If we pay it, it should be with the understanding that we have the right of redress against the province. We should take an assignment of the claim. I suggest to the Prime Minister that if the government pays this sum, it has a *chose in action* against the province of Quebec. It should take an assignment of the claim and test out in the courts to ascertain whether or not the province should pay us. The government has the right of redress, and

can withhold the money from the province of Quebec out of the grants made by the dominion to that province.

Do not let anyone say that I make this statement because it applies to the province of Quebec. I would take exactly the same position if it affected any other province, and I believe in taking that position I am on safe ground. I offer this suggestion in good faith, as a way out for the government. Let us take an assignment of this claim from the public executor of the estate, and then let us proceed in the courts of the country to decide whether or not we must pay the amount.

Mr. MACKENZIE KING: The full amount involved is only $3,836.68.

Mr. HANSON (York-Sunbury): But I suggest there is a principle involved.

Mr. MACKENZIE KING: I think by the time we proceeded to take action in the courts the expenses would be greater than the amount recovered.

Mr. HANSON (York-Sunbury): I put it to the Prime Minister: Is there not a principle at stake?

Mr. CHURCH: Notwithstanding the fact that we are spending all this money, the United States are breaking their bargain and we are still in the appeasement market. I hope no more of these items will appear in the estimates.

With the consent of the committee, I should like to revert to item *40* for a moment. With the critical financial situation facing us at the present time, I cannot understand why we should be spending $3,000 for publications of the League of Nations and a grant to the League of Nations Society in Canada. This latter society is patterned upon the League of Nations Union in the old country. It was started in November, 1920, as a non-party organization to make the work of the league known throughout Canada and the empire and to win popular support for the work of the league. But it gradually passed under the control of pacifists, high-brow internationalists, prosperous socialists, cosmopolitans and high-brows, with the result that from 1931 on in England it became increasingly anti-government. It became a great supporter of pacifism and collective security and attempted to convince the people of Britain that they did not need a navy, an army or an air force. I object to our spending all this money upon literature which mostly finds its way to waste-paper baskets. It is an insult to the soldiers who are serving over-

seas to have an item like this in the estimates. Surely we can have a holiday from league meetings until the war is over.

Mr. HANSON (York-Sunbury): Will the Prime Minister give some undertaking in connection with the matter I raised? There is a principle at stake. I did not raise this question just for fun.

Mr. MACKENZIE KING: I give my hon. friend the undertaking that I shall direct the attention of the Minister of Justice to his remarks and ask the minister to take such action as he thinks is advisable.

Item agreed to.

Canada's contributions to maintenance of external organizations.

43. The expenses of the League of Nations for 1941, including secretariat, international labour organization and permanent court of international justice, $120,330.

Mr. ROSS (Souris): I do not understand why we should be expending this amount of money upon the League of Nations. Would the Prime Minister make a statement?

Mr. MACKENZIE KING: Possibly I can save time by giving my hon. friend at once such particulars as I have about the present situation. This item covers not only the work carried on by the league, but also matters connected with the international labour office and the permanent court of international justice. All of these bodies have suffered a certain amount of restriction in their work. The league itself has fallen on evil-days, but some of its services and other organizations still have their place in the world, and we believe that by making our contribution to its continued existence and the carrying on of that part of its work which is being done on this continent we shall be serving to some extent the purpose for which the league was intended, helping at any rate to keep that agency alive for better days.

The vote provides for Canada's contribution for the league as assessed in the league budget for 1941. This is about 80 per cent of the amount voted in 1940. The total league budget, however, has been reduced to approximately one-half of the budget of 1940 and one-third of that for 1939. This substantial reduction is not proportionately reflected by a reduction in Canada's contribution, but this is explained by the fact that it was not possible to assess any contribution for 1941 from nine member states whose territories have been occupied by Germany or the soviet union since the outbreak of the war. The proportionate contribution assessed against other member states which have suffered greatly by war, including France, China and Finland, have been cut in half for 1941. In addition, three other states, Spain, Hungary and Peru, have given notice of withdrawal from the league, which will take effect this year.

In consequence of this, the total budget of the league organizations have been greatly reduced and a larger proportion of the total has had to be met by Canada. Since conditions prevented a meeting of the league assembly during 1940, the budget for 1941 was prepared by the supervisory commission of the league which met in Portugal last September. This committee was appointed by the assembly to supervise the administration of the league. Special powers were given to the supervisory commission at the last assembly because of the difficulty of holding international meetings in war time.

The vote includes the Canadian contribution to all the international organizations of the league. Nearly one-third of it will go towards the expenses of the international labour office, which at the invitation of the Canadian government has temporarily transferred its operations from Geneva to Montreal. Slightly over one-third will go towards meeting the expenses of the league secretariat. At present a very small staff, under the acting secretary general, Mr. Lester, remains in Geneva. A group of financial and economic experts, under Mr. Loveday, has moved with the approval of the Canadian government from Geneva to Princeton, New Jersey, where they are carrying on their valuable activities at the institute of advanced studies. The total strength of the secretariat in Geneva, Princeton and elsewhere has been reduced to 100 of all ranks in 1941 from 688 in 1939. A small proportion of the Canadian contribution, about one-twentieth, goes to the permanent court of international justice which normally sits at the Hague. The court has not been able, for obvious reasons, to act during the last year, and the sum provided for it in the league budget represents the irreducible minimum to maintain it in existence. Virtually all the remainder of the league budget, nearly one-third of the total, is devoted to the contractual obligations of the league pension fund and to meeting a deficit incurred in 1939.

The number of states listed as members of the League of Nations is 48, of which three will cease to be members during 1941. Several states, however, which are not members of the league are active members of the international labour organization, including the United States, Brazil, Chile and Venezuela.

Mr. HANSON (York-Sunbury): How many countries are not contributing at the present time which would be contributing under special circumstances?

Mr. MACKENZIE KING: As stated previously, it was not possible to assess any contribution for 1941 from nine member states whose territories have been occupied by Germany or the soviet union. The proportionate contribution assessed against other member states which have suffered greatly by the war, including France, China and Finland, have been cut in half for 1941. In addition, three other states, Spain, Hungary and Peru, have given notice of withdrawal from the league, which will take effect this year.

Mr. NICHOLSON: What services are now being performed by the permanent court of international justice, and where are its headquarters?

Mr. MACKENZIE KING: Just sufficient to keep the court in existence at the Hague. The members of the court have been scattered, but the physical court is still at the Hague.

Mr. JAQUES: I agree with the remarks of the hon. member for Broadview (Mr. Church) with regard to the League of Nations. So far as my studies have carried me, it seems to me beyond question that in the past the league has been fundamentally anti-democratic. The league failed because it was a league of governments and therefore a league of central banks. We have heard a great deal about foreign relations; we have heard of the diplomats on the world stage, but we have not heard anything about the forces which control the strings by which these diplomats are made to dance.

It is said that we are fighting for democracy which has been defined as government according to the will of the people. In the last twenty-five years we have had two major wars and twenty years of economic depression, bankruptcy, unemployment and so forth. It is fantastic to believe that those conditions have been according to the will of the people either of this country or of any other. I could fill Hansard with quotations from various authorities to prove what has been behind the power of all governments for the past twenty-five years, but I shall content myself with a few quotations at random. I remember a former deputy governor of the Bank of Canada saying this a few years ago—I forget the year but I put it on *Hansard*. He said that in some countries the policy of the central bank agrees with that of the government, but no self-respecting central bank would accept from its government a policy with which it did not agree. Is that democracy?

Let me read a statement made by Sir Josiah Stamp. He said:

> Never in the history of the world has so much power been vested in a small body of men as in the federal reserve board (of the United States). These men have the welfare of the world in their hands, and they could upset the rest of us either deliberately or by some unconscious action.

Is that democracy?

Mr. Ludwell Denny, an American banking authority, in his book "America Conquers Britain", published in 1930, says:

> All nations must tremble before our federal reserve board. High money rates in the United States of America early in 1929, for instance, forced an increase in the official bank rates at once in England, ten European countries, in two Latin-American countries, and two in the far east; and in almost every case that action restricted business and brought suffering to millions of foreign workers. That blow hit Britain hardest of all.

Is that democracy?

Speaking in the congress of the United States in 1931, Mr. L. T. McFadden, who at that time had been chairman of the committee on banking and currency of congress for the fourteenth year, said:

> I wish to emphasize the fact that international finance is almost exclusively German. The federal reserve board and the federal reserve banks have pumped so many billions of dollars into Germany that they dare not name the total.

He continues:

> Do you know that Germany has been lending our money to soviet Russia as fast as she could get it out of this country from the federal reserve board banks? Do you know that she is the author of Russia's five year plan, that she has armed and supplied soviet Russia with our money? Do you know that Germany and soviet Russia are one in military and industrial matters?

I mention that because up to the time that Russia more or less joined up with Germany and partitioned Poland, our socialist friends were under the delusion that there was a distinction between Germany and Russia. But, as I said last session, I think it was, the only difference between Germany and Italy and Russia is the difference between three eggs. You may say that Germany is a hard-boiled egg, Italy a scrambled egg, and Russia, if you like, a fried egg. I would add a fourth egg, and that is finance, which is a rotten egg. But they are all eggs and nothing but eggs. You will get nothing but eggs out of any of them. There is no difference between them as history has now proved.

Mr. McFadden, again speaking in congress in 1932, and speaking of his own country—remember, I am quoting a member of the United States congress—said:

> We have in this country (the United States) one of the most corrupt institutions the world

has ever known. I refer to the federal reserve board and the federal reserve banks. This evil institution has impoverished and ruined the people of the United States.

Is that democracy?

Again, Arthur Kitson, an English economist, writing in the *English National Review* in March of 1925, said:

In the November issue of the *National Review* I outlined the plot conceived by certain German-American Jewish financiers for dominating the world under the currency system known as the "gold standard", which is being carried to a successful issue with the aid of certain of our London bankers at an astonishing rate of speed.

In a footnote to the article Mr. Kitson added:

It is worth noting how unanimous our anglicized German financiers are in desiring the reestablishment of gold in this country.

And he named Sir Felix Schuster, Baron Schroder, Mr. Otto Kahn, Fruhling Goschen, Kleinworth & Co., and so on.

I could continue these quotations from authorities which no one in this chamber can deny, but I think I have given enough. I do not want to take up too much of the time of the committee.

I should like now to quote something as to the causes of the war which hon. members will not get from any publication of the League of Nations. Addressing the Alberta legislature in 1934, Major Douglas said:

Just as I told them in Ottawa in 1923 exactly what was going to happen in 1928, so I tell you now in 1934 that before 1940, if you have not changed the financial system, it will change and probably eliminate you.

And further, in the same address to the legislature, he said this:

There is no doubt whatever that the perfectly easily understood economic urge towards war comes primarily from the working of the financial system at the present time because of this necessity for overseas markets in order to provide purchasing power from these overseas markets. There is practically no room for discussion that the next war will almost inevitably destroy what we know as civilization. And there is very little doubt that the next war is only two or three years ahead unless something is done to prevent it.

The failure of the League of Nations has not been lost sight of by this unseen power which I have briefly quoted. There is a general movement throughout the civilized world towards centralization. We see it in Germany and we see it in the so-called democracies. Everywhere there is an idea of centralization of power, of government, of business. Democracy surely entails decentralization. A democratic government, since it is a government according to the will of the people, must rest on the broadest possible basis, and therefore any movement toward centralization is not democracy, it is making for dictatorship. I believe it is true to-day to say that there are but two political philosophies: democracy, which entails decentralization, and totalitarianism, which means centralization. Totalitarianism includes, of course, all brands of socialism, nazism, communism and fascism; all are of the same breed, and all intend the same thing—the centralization of power away from the control of the people.

As I say, there is a movement everywhere towards centralization. One development of it in Canada and in Great Britain at the present time is what is called federal union or "union now." Under this scheme the democracies, sovereign nations, would surrender their sovereign power over their armed forces, finance, fiscal policy and the judiciary. If that were done, what would be the status of this House of Commons? It would be reduced to less than a parish council.

That this is no pipe dream, or any figment of my imagination, or even anything new since the war, is evident from this quotation from one of the pioneers of the idea of federal union. I refer to Professor Arnold Toynbee, who has been closely identified with the Royal Institute of International Affairs. Speaking at the fourth annual conference of Institutions for the Scientific Study of International Relations, held at Copenhagen in June, 1931, he said:

In plain terms, we have to re-transfer the prestige and the prerogatives of sovereignty from the fifty or sixty fragments of contemporary society to the whole of contemporary society—from the local national states by which sovereignty has been usurped, with disastrous consequences, for half a millennium, to some institution embodying our society as a whole.

In the world as it is to-day, this institution can hardly be a universal church. It is more likely to be something like a league of nations. I will not prophesy. I will merely repeat that we are at present working discreetly but with all our might, to wrest this mysterious political force called sovereignty out of the clutches of the local national states of our world. And all the time we are denying with our lips what we are doing with our hands.

I might add that one of the fundamentals of this idea of "union now" is a world currency based on gold. I will go further and say that that is, if not the whole, certainly the main purpose of this idea of "union now." I would ask, after the very fine words of the Minister of Justice last evening with reference to the people of Great Britain and the sacrifices they are making to preserve their liberties, is the price of their physical liberty to be economic slavery? Because that is what the gold standard means and always has meant.

It is international slavery and nothing else, and I say that is the main purpose of this idea of federal union or "union now."

I can speak for this group and for social crediters all over the world, that we stand absolutely on the sovereignty of the British commonwealth of nations, because we know that the crown is the symbol of individual liberty and justice. Instead of surrendering our sovereignty to international racketeers, international money-lenders, we should strengthen the sovereignty not only of Canada but of every nation comprising the British empire, by restoring to it the absolute control of the issue of currency and credit, so that it shall be impossible in future to make the statements as to the real control which I read when I started my address.

Finally, I should like to quote from a speech made by His Highness the Aga Khan. I do not think anybody could put it better, or improve on the time and place in which he made his remarks. Speaking at the Nelson Day dinner of the navy league in London, England, in 1934, the Aga Khan said, in regard to the question of arming the League of Nations with a police force:

> There are innumerable technical objections to the creation of an international force under the orders of the League of Nations, with which I need not weary you to-night. But behind all these, I see two fundamental difficulties. One is, that the league itself includes too many wolves in sheep's clothing—or, shall I say, watch-dogs with an occasional hankering after a bit of mutton for themselves—to be likely ever to show an effective unanimity in suppression of the meat-eating habit. The other difficulty, and that to my mind goes even deeper, is that no mechanical scheme, even if constructed for such a desirable object as maintaining the peace of the world, can command those deep-rooted instinctive loyalties for which nations are prepared to risk their fate, or individuals their lives. These loyalties are, for us, centred not in Geneva, but in that British crown which is the symbol of our ordered freedom and of those institutions and traditions which are of the very essence of our being. More than that, our loyalty to the Crown is no narrow local or racial emotion; it has grown with the expansion of England to be the common and mutual loyalty of a world-wide empire which is, in fact, a league of nations, but one that has grown and not been artificially put together. It is a league based on the enlargement, not on the suppression of patriotism. It is a league that in the hour of danger showed that it could summon a million men from the ends of the earth with the appeal: 'Who dies if England lives?' It is a league, in fact, that is capable of action.

Mr. COLDWELL: I do not intend to wander far from the item under discussion, but I do feel that, as one who has always believed and believes more firmly to-day than ever, that the only form of security for a nation like Canada, and for other nations small or great, will ultimately be found to be in the realm of collective security, I could not sit here to-night and hear the hon. member for Broadview and the hon. member who has just taken his seat express the opinions they have expressed without rising in my place and saying something on the other side.

We are witnessing to-day as a matter of fact the results of the break-down of collective security, and ever since the Polish boundaries were guaranteed in March, 1939, feverish attempts have been made by our own great commonwealth to rebuild some form of collective security. We have sought allies and have failed to find them. One by one we have seen nations who, had they stuck together, might have withstood Hitler ere he rose to power, fall under his domination.

It is all very well to say that we must get more decentralization. I listened to the hon. member for Wetaskiwin. He said that we needed more decentralization, and then he spoke of the sovereign power of the British Commonwealth and the sovereign power of Canada. I am wondering just what he means by decentralization. Where is the decentralization to lie? In the nation?

Mr. JAQUES: No, in the people.

Mr. COLDWELL: In the province? In the town, in the village, or, as he suggests, in the people?

Mr. JAQUES: Yes.

Mr. COLDWELL: What does he mean by the people?

Mr. JAQUES: The individuals.

Mr. COLDWELL: Then I say that we shall go back to the days when duelling and murder were rampant, because the individual has achieved security in his community by reason of the fact that he has achieved a measure of collective security through the community of individuals. It seems to me that in this war which we are fighting we are learning the lesson that, had we been able to maintain a league of nations backed by the proper authority and the proper amount of power to enforce its will, we might not to-day be where we are. I want to say to my hon. friend and others who think like him that, when this war is over, we shall again attempt to build some form of collective security, otherwise we shall witness recurrent wars in the days to come.

I should like to ask these gentlemen who talk about decentralization and who oppose the idea of collective security, what is their alternative? What alternative do they offer? None whatever. I quite agree that behind

some of these moves there have been great capitalist institutions, great financial powers and all the rest of it. But I think that at this time we do an ill service to our democracies in belittling the amount of democracy we have; for, after all, though we have not complete democracy in the country in which we live or in the commonwealth of which we are a part, or in the nations which to-day are fighting the totalitarian powers, yet to my mind we have at least an amount of democracy that is worth preserving, an amount that is worth struggling for and fighting for. Therefore I do not like to hear men in this chamber and across the country denouncing the democracies and comparing them to a degree with Hitler. The hon. gentleman who has just spoken is a member of the social credit group. I have read the advice which was given the social credit party in the province of Alberta by the gentleman to whom they pay $6,000 a year, a gentleman by the name of Byrne. What does he say about society? He says that society is like a pyramid. The people on the outside are the circumference, and at the top there must be one directing mind. That one mind must give orders and all must take instructions right down to the outer fringe.

Mr. JAQUES: He never advocated that.

Mr. COLDWELL: My hon. friend says that is not so. I will tell the committee what I will do. At the first opportunity I get I will read into the record the report of that gentleman's address and that will settle the question. I will read just a few paragraphs to illustrate what I have said. May I say this, that there is not a province in Canada where there is greater control from the top than in Alberta, where one man controls the thinking of a great mass of people.

Mr. JOHNSTON (Bow River): He is a great man.

Mr. COLDWELL: He certainly fills a great amount of space, if that is what the hon. member means.

Mr. HANSELL: That is not funny at all.

Mr. COLDWELL: It may not be funny but you asked for it.

Mr. BLACKMORE: It is not true.

Mr. COLDWELL: I saw him here.

Mr. HANSELL: He does not control thinking; he leads.

Mr. COLDWELL: If we are going to struggle for our democratic institutions, then let us place before us something that is better than the kind of thing we have been and are enduring at the present time. I am persuaded that we shall never achieve peace in this world until the common people of the earth, through organizations that will arise out of their own agony, their own blood and their own toil, set up some form of international organization that will be able to control the international buccaneer and international aggressor, and that is what the League of Nations was formed to do. The League of Nations failed, they say. The League of Nations did not fail; it was the statesmen of the world who failed the idea behind the League of Nations. That is the tragedy of to-day, and the sooner we learn that lesson the sooner perhaps in the days to come will our people build something that will protect them from these recurrent wars.

Mr. JAQUES: Mr. Chairman—

The CHAIRMAN: I wish to point out to hon. members that I have given a great deal of latitude. A great deal was said which was not pertinent to the item before the committee. A line must be drawn somewhere.

Mr. JAQUES: I have tried to follow the line since this debate started, but it seems to me that that line is a complete circle; it has boxed the compass.

The CHAIRMAN: We must try to break the vicious circle.

Mr. JAQUES: I do not expect to convert with regard to his political views the hon. member who has just taken his seat, but I cannot let pass his remarks about an old and very valued friend, Mr. L. D. Byrne, who has been the victim of so many sneers because he happens to receive this $6,000 a year. The remarks attributed to Mr. Byrne by the hon. member for Rosetown-Biggar are exactly the opposite of the views that Mr. Byrne holds. I know Mr. Byrne intimately.

Mr. BLACKMORE: So do I.

Mr. JAQUES: And we share common knowledge and common loyalty to the ideals of social credit. The very basis of the philosophy of social credit is the freedom of the individual.

The CHAIRMAN: Order. The rules do not permit the discussion of the merits or demerits of social credit at this time. The hon. member was just addressing himself to the principles underlying social credit. That has no connection with the item under discussion.

Mr. JAQUES: Then let me rebut a statement made publicly casting a reflection on a valued civil servant of the Alberta government.

The CHAIRMAN: I am afraid the remarks by the hon. member for Rosetown-Biggar arose from the great latitude that was given to the hon. member who now has the floor. I must ask hon. members to stick to the rule, which says that we must address ourselves to the item before the committee.

Mr. BLACKMORE: Then I submit, Mr. Chairman, that you drew the line at the wrong time. You should have stopped the hon. member for Rosetown-Biggar.

The CHAIRMAN: I would wish to adhere to the rules at all times, but by the unanimous consent of the committee on many occasions some latitude must be given. But the chairman must draw the line somewhere.

Mr. JAQUES: Well, Mr. Chairman, this item deals with the League of Nations, and surely the League of Nations deals with political philosophy. If it does not, it does not deal with anything. I only want to make a remark on a certain political philosophy, and it is this, that the views that Mr. L. D. Byrne holds are the opposite of those attributed to him by the hon. member for Rosetown-Biggar. He has never said and never written that he believed that power must be from the top down. The exact opposite is true. We hold and preach, and have preached for years, that it is the privilege of the people to decide policy, to demand results; it is the duty of their government to obtain those results for them, if that government is a democratic government. It should obtain those results by instructing the necessary experts to bring them about. That I say is the exact opposite of the ideas attributed to Mr. Byrne by the hon. member who has just taken his seat.

Mr. BLACKMORE: Just a word regarding this collective security. I think we could find in *Hansard* several occasions on which I have taken strong issue with those who were dreaming of the impossible ideal of collective security. In 1936 and 1937 we trusted ourselves to collective security, and the result is that we fell into a state of unpreparedness which allowed aggression to raise its frightful head and put us in danger of being swept from the earth. Right in the presence of disaster we have men rise in this house and talk of collective security. I am amazed. If the British empire and individual members of the British commonwealth of nations and the United States had depended upon themselves and made their walls strong and not bothered about collective security, depending upon people who were utterly undependable, we should not to-day be in grave danger of being destroyed as an empire. I say, what has been throbbing in my being ever since I came to this house, that we as Anglo-Saxon people and the peoples associated with us in our government must look to ourselves and the God who guides us for our defence and strength in this world; we must not depend on other nations; we cannot depend on them; they will fail us in our hour of need. It is well enough to be ready to cooperate with other nations, well enough to get all the help we can from them. But we have failed, dreadfully once; let us never in the long history which awaits us fail again.

Item agreed to.

Canada's contribution to maintenance of existing organizations.

44. Portion of expenditure of the imperial economic committee and the imperial shipping committee, $4,675.

Mr. CASTLEDEN: I should like an explanation as to the division of that amount between the imperial economic committee and the imperial shipping committee.

Mr. MACKENZIE KING: These are two committees which have been established for many years by the empire governments, all of which make a contribution towards their work. The governments of the empire accepted the recommendations of the imperial committee on economic consultation and cooperation that the dominions should share the financial responsibility of the joint services to be carried on, instead of leaving it to be borne wholly by the United Kingdom. The cost of the imperial economic committee is met by a fund to which the participating governments contribute on a scale recommended by the imperial committee on economic consultation and cooperation in 1933. This fund since October 1, 1933, has been £20,200 a year. The imperial economic committee in the financial statement and forecast for the period April 1, 1938, to March 31, 1943, foresaw that the work at present in view would make it desirable to increase the fund to £22,000 a year. The imperial economic committee portion is £22,000, the imperial shipping committee £2,000; total £24,000. Canada's share on the scale recommended in the report is £3,840. In 1940-41 we were asked to make provision for 50 per cent of our normal contribution, and the amount submitted for 1941-42 is 25 per cent of the original amount.

Mr. CASTLEDEN: Has the imperial shipping committee to do with the registry of ships under British or Canadian registry? What is its function?

Mr. MACKENZIE KING: This is an advisory committee on questions of shipping policy; it has not to do with registration.

Item agreed to.

DEPARTMENT OF AGRICULTURE

Administration service.

1. Departmental administration, $121,925.

Mr. MACKENZIE KING: This item is not to be carried. As I said last night, we wish to call items in one or two departments, so that on Thursday or Friday, if we so desire, we may take up the estimates of those departments.

Item stands.

DEPARTMENT OF JUSTICE

87. Departmental administration, $154,440.

Mr. HANSON (York-Sunbury): This item will stand.

Item stands.

Progress reported.

PASSPORTS AND VISAS

REVISION OF REGULATIONS, INVOLVING CLOSING OF CERTAIN OFFICES

Right Hon. W. L. MACKENZIE KING (Prime Minister): Mr. Speaker, before the house adjourns, I should like to give certain information with respect to the revision of Canadian passport regulations, involving the closing of certain offices.

In view of the heavy falling off in applications for passports it has been decided to close the branch offices at Winnipeg, Toronto, Montreal and St. Stephen, New Brunswick, which were opened in July of last year to relieve the congestion due to the avalanche of applications which suddenly descended on the Ottawa office. These branch offices will be closed on March 15. A considerable financial saving will thus be effected without inconvenience to the public.

Unless there is a further drop in applications the branch passport offices at Vancouver and Windsor will be kept open for a further period and an office opened at Moncton to replace the office at St. Stephen which was less conveniently situated to deal with applications from the various parts of the maritime provinces.

All applications for passports made after March 15 should be addressed to the Canadian passport officer, Ottawa, or if the applicant resides in the Windsor district, in British Columbia or in the maritime provinces, to the acting passport Officer at Windsor, Vancouver or Moncton.

New Canadian passport regulations will come into force on April 1, abolishing the present special passport valid for travel to the United States and making certain changes in the regular passport which will thereafter be the only passport issued.

The special passport for travel to the United States only was issued last summer when it was thought the requirement might prove to be a temporary one. As, however, there is no present prospect of a relaxation of the regulations and as under war-time conditions the strictest care must be taken in the issue of passports to avoid them being granted to improper persons, it has been considered advisable to discontinue issuing the special passport for travel to the United States. Other factors leading to the decision to discontinue the special passport were that the system of issuing two passports—a regular passport and a special passport for the United States only—gave rise to considerable confusion in the public mind and complicated considerably the keeping of records. Moreover, it represented a departure from the recognized international practice, Canada being the only country to issue two passports.

The changes in the regular passport cover two points—the period for which the passport is issued and the fee. The unsettled conditions and stricter supervision of international travel arising out of the war have made it advisable to reduce the period for which passports are issued, thus enabling more frequent checks to be made. It has been decided to make the initial period of validity two years instead of five years as at present. Passports will be renewable for four periods of two years each instead of for five years as at present. The passport fee will be reduced from $5 to $3. The fee for each renewal will be $1.

It will be noted that these modifications do not change the maximum duration of the passport or the maximum fee that is paid, maximum duration remaining at ten years and the maximum fee at $7.

The new passport will be valid for travel to the United States and any other country or countries to which the applicant desires to travel, except, of course, countries with which Canada is at war.

Passports already issued will, of course, remain valid until the date on which they expire.

A day or two ago the leader of the opposition asked me if I would hold up my announcement respecting passports, in order that consideration might be given to the proposed closing of the office at St. Stephen. The hon. member for Charlotte (Mr. Hill) is similarly interested in that particular office, and would like to see it continued.

May I say the business there hardly justifies keeping it open. These are days

when we have to seek economies. My colleagues and I have considered the matter to which the hon. members have directed our attention, and after giving it the best possible thought we feel that we must do as I have announced.

Hon. R. B. HANSON (Leader of the Opposition): The matter of expense is not important. The work is done by the collector of customs, at no additional expense. I believe the only extra expense involved is that of the services of a stenographer. I am sorry the Prime Minister has not considered favourably the request made. It is not a matter of local pride. It is one of convenience, because this point is a funnel for motor traffic entering the United States. People come there without passports, and have been able to obtain them at that point. Otherwise they would have to travel right back to Moncton.

Mr. STIRLING: Will there now be no local facilities for those people living close to the border in various parts of Canada, whose custom it has been for shopping and entertainment purposes, to slip across the line and back again the same evening?

Mr. MACKENZIE KING: I am informed this will not affect the position of those persons to whom the hon. member has referred. Since mention has been made of tourist traffic, I would remind hon. members that passports are not required of people entering Canada from the United States. United States citizens have a distinct advantage when visiting our country. The freedom from passport requirements saves them considerable trouble.

Mr. HANSON (York-Sunbury): It has a curiously adverse effect on the tourist traffic.

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

Wednesday, February 26, 1941.

The house met at three o'clock.

PRIVILEGE

MR. POULIOT—EDITORIAL IN OTTAWA JOURNAL OF FEBRUARY 25

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, I rise to a question of privilege. Since Saturday last there is not a name or an epithet which can be found in any ordinary or slang dictionary which has not been levelled at the member for Témiscouata by the "N.G." press. Naturally the paper with the richest vocabulary is the Ottawa *Journal*. This paper had an editorial covering half a column about me, but that was under cover. In the issue of February 25 there is a report by Mr. Norman MacLeod, the British United Press correspondent, which reads in part as follows:

> Actually, Conservative members said, the official opposition party abandoned any hope it had for union government after the recent speech by Jean-François—

At this point the report is continued on page 12:

> —Pouliot, Quebec Liberal member, in which he assailed union proponents.

This shows that this paper published falsehoods under the cover of truth.

MR. CHURCH—SPEECH OF MEMBER FOR TRINITY ON FEBRUARY 20

Mr. T. L. CHURCH (Broadview): Mr. Speaker, I should like to correct a statement made in the most interesting speech delivered by the hon. member for Trinity (Mr. Roebuck) on Thursday last. One page 858 of *Hansard* appear these words:

> The hon. member for Broadview suggested that something should be done in connection with the amalgamation of our railroads.

What I actually said is to be found on page 856, where I referred to the duplication of our railways and went on to say:

> Why could not something be done in that regard to eliminate wastage, as has been done in Great Britain and in the United States?

The second point I wish to raise is this. In the Toronto *Star* of last Friday appeared an article entitled "Let Opposition Open Seats for Supermen." In this article it is stated that the hon. member for Trinity said that I said that the government should give the country "a real war administration." The article then goes on to quote further the words of the hon. member for Trinity as follows:

> If it is proposed that members of the government resign in order that mythical men from the outside may come in, the opposition is in a position to demonstrate its bona fides by certain of its members resigning in order that these great men may be brought in in their places. This would show that hon. members opposite really mean what they were saying.

I used no such words as stated by the hon. member. What I did say will be found on page 855 of *Hansard*, as follows:

> —that consideration should be given to uniting all parties in the country and in the house so that we may have a real war-time national government. I think the party system is one luxury we can do without during this war; there has been altogether too much of it. A great many people think the government is conducting a Liberal war, and that our war effort is not being carried on in the non-partisan way it should be. There is some element of truth in that suggestion, I am afraid.

It will be seen that the words are quite different. I may say that the hon. member made a most interesting speech.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*FOREIGN EXCHANGE CONTROL—SPECIAL TAX CREDITS AND DEPRECIATION ALLOWANCES

Mr. DESMOND:

1. How many (a) individuals, (b) partnerships, (c) corporations, have applied for assistance by way of special tax credits and/or special allowances for depreciation or depletion under the Income War tax Act and/or the Excess Profits Tax Act?
2. What are the names of each such individual, partnership or corporation who have so applied?
3. What is the nature of the business carried on by each such individual, partnership or corporation?
4. How many of such applications have been granted?
5. What is the nature of the tax credit relief or other concession which has been granted to each such individual, partnership or corporation?
6. What is the estimate of the amount by which Canada's supply of foreign exchange will be increased as a result of each such grant of assistance or concession?

Mr. ILSLEY: This question is being answered, but I should like to point out that the hon. gentleman did not amend his question to substitute the War Exchange Conservation Act for the Income War Tax Act and/or the Excess Profits Tax Act. I have answered the question as if that substitution had taken place.

1. (a) 1, (b) 0, (c) 15.

2 and 3. It is not considered in the public interest to disclose the names or the nature of business of those making such applications. The War Exchange Conservation Act, chapter 2 of the statutes 1940-41, section 8(2), provides for the tabling of all agreements in parliament within fifteen days of entering into such agreement or, if parliament is not sitting, within fifteen days after the opening of the next session of parliament.

4. None to date. Several agreements are now in various stages of negotiation.

5 and 6. Answered by No. 4.

EMPLOYMENT OF CIVILIANS AT AIRPORTS

Mr. SENN:

How many civilians are employed at each of the following airports as of February 1, 1941: Dunnville, Jarvis, Hagersville, and Kohler?

Mr. RALSTON: Dunnville, 59. Kohler: This is an emergency landing field under the administration of Dunnville. The staff is, therefore, included in the Dunnville total and no break-down in personnel between the units is available. Jarvis, 98. Hagersville: This is an emergency landing field under the administration of Brantford. The staff is, therefore, included in Brantford's establishment and no break-down of personnel between units is available.

PUBLIC INFORMATION—"CANADA CARRIES ON"

Mr. BENCE:

1. Did the director of public information issue a booklet or booklets entitled "Canada Carries On"?
2. If so, what was the subject matter of each such booklet?
3. How many copies of each were printed?
4. What was the cost of printing each such booklet?
5. What purpose was designed to be served by the publication of each such booklet?
6. To whom were copies of each such booklet sent?
7. What was the cost of such distribution?

Mr. GARDINER:

1. Yes.

2. Reports on the nature and extent of Canada's war effort, delivered to the House of Commons by ministers of the crown.

3. "Canada Carries On"—(August 1940), English, 50,000 copies; French, 20,000 copies.
"Canada Carries On, No. 2"—(December 1940), English, 100,000 copies; French, 50,000 copies.

4. "Canada Carries On" $2,157 plus sales tax.
"Canada Carries On, No. 2", approximately $5,200 (invoice not yet received).

5. To fill a widespread and constant public demand for information of the type contained in the booklets. Publication served to meet thousands of requests for specific information, and to service a standing mailing list of persons, corporations and organizations desiring general information about Canada's war effort.

6. Single copies to request mailing list (approximately 45,000 copies), members of parliament list, newspapers list, school-teachers list, public libraries list.

Parcels (upon request only) to a large number of addresses—the following being typical examples:—

War savings committees, boards of trade, Canadian Legion educational services, League of Nations Society, Frontier college, high schools, universities, provincial education departments, members of House of Commons, Book Fair, insurance companies, banks, factories, service clubs, Y.M.C.A., churches, British high commissioner, Canadian government trade commissioners at Lima, Peru;

Tokyo, Japan; Havana, Cuba; New York, U.S.A.; penitentiaries; National Defence auxiliary services.

7. Approximately $2,500.

PRISONERS OF WAR IN CANADA

Mr. ROY:

1. How many war prisoners have been sent to Canada?

2. What sums have been expended by the dominion government for these prisoners and in what way has Canada contributed towards their maintenance?

Mr. CASGRAIN:

1. Prisoners of war sent to Canada have been sent under arrangements with the government of the United Kingdom and the government of Newfoundland. It is not considered in the public interest that disclosure should be made of the number of prisoners of war interned in Canada under these arrangements.

2. The government of the United Kingdom and the government of Newfoundland have assumed financial responsibility for the maintenance of these prisoners of war and sums disbursed for maintenance by the government of Canada are to be reimbursed by the government of the United Kingdom and the government of Newfoundland.

QUEBEC PROVINCE MILITARY TRAINING CAMPS

Mr. ROY:

1. How many military training camps have been established in the province of Quebec, and at what places?

2. Who is the military officer in charge of each of such camps?

Mr. RALSTON:

Sixteen military training centres have been established in the province of Quebec, fourteen of which were established under the National Resources Mobilization Act training scheme, and two for active formations of the Canadian army, as follows:—

National Resources Mobilization Act training schemes and Commanding officers, Sherbrooke, Lt.-Col. J. S. Bourque; Farnham, Lt.-Col. A. T. Howard; Huntingdon, Lt.-Col. C. C. Brooks, M.C.; Joliette, Lt.-Col. G. V. de Bellefeuille; Valcartier, Captain G. M. S. Dorion; Megantic, Major L. P. Cliche; Montmagny, Major J. P. J. Codreau, E.D.; St. Jerome, Lt.-Col. E. J. Nantel, E.D.; Sorel, Major G. Francoeuer, V.D.; St. Hyacinthe, Major R. Pothier; Valleyfield, Lt.-Col. J. R. J. Duhault; Chicoutimi, Major J. Landry; Levis, Major J. N. Tourgeon; Rimouski, Major P. H. L'Heureux.

Active formations of Canadian army and Commanding officers, Three Rivers, Lt.-Col. D. S. Forbes, M.C.; Valcartier, Lt.-Col. J. A. Dansereau.

INTERNED ALIENS—EMPLOYMENT ON TRANS-CANADA HIGHWAY

Mr. ROY:

1. Have any persons detained in internment camps been employed on construction work on the Trans-Canada highway?

2. If so, how many have been so employed, for what length of time and at what locations?

3. Did any of such persons escape? If so, how many?

Mr. CASGRAIN:

1. No.

2 and 3 answered by No. 1.

AIR FORCE—RECRUITING AND TRAINING CENTRES

Mr. ROY:

1. How many air force recruiting stations are there in Canada and where are they located?

2. How many manning centres, training schools, of all description, elementary and otherwise, are there in Canada, under the Department of National Defence for Air, and where are they located?

Mr. RALSTON:

The following units are in operation as of the 21st February, 1941:

1. Seventeen—located as outlined in attached list.

2. Manning depots—5.
   - No. 1 Manning depot, Toronto, Ont.
   - No. 1A Manning depot (temporary), Picton, Ont.
   - No. 2 Manning depot, Brandon, Manitoba.
   - No. 3 Manning depot (temporary), Ottawa, Ont.
   - No. 4 Manning depot, Quebec, P.Q.

The technical training school, St. Thomas, Ont.

School of aeronautical engineering, Montreal, P.Q.

A.I.D. inspector's school, Toronto, Ont.

Equipment and accounting training school, St. Thomas, Ont.

School of administration, Trenton, Ont.

Air armament school, Trenton, Ont.

Motor boat crewman's training school, Trenton, Ont.

Initial training schools—3.
   - No. 1 initial training school, Toronto, Ont.
   - No. 2 initial training school, Regina, Sask.
   - No. 3 initial training school, Montreal, P.Q.

Central flying school, Trenton, Ont.

Training flight (temporary), Picton, Ont.

Elementary flying training schools—16.
No. 1 E.F.T.S., Malton, Ont.
No. 2 E.F.T.S., Fort William, Ont.
No. 3 E.F.T.S., London, Ont.
No. 4 E.F.T.S., Windsor Mills, P.Q.
No. 5 E.F.T.S., Lethbridge, Alta.
No. 6 E.F.T.S., Prince Albert, Sask.
No. 7 E.F.T.S., Windsor, Ont.
No. 8 E.F.T.S., Vancouver, B.C.
No. 9 E.F.T.S., St. Catharines, Ont.
No. 10 E.F.T.S., Hamilton, Ont.
No. 11 E.F.T.S., Cap de la Madeleine, P.Q.
No. 12 E.F.T.S., Goderich, Ont.
No. 13 E.F.T.S., St. Eugene, Ont.
No. 14 E.F.T.S., Portage la Prairie, Man.
No. 15 E.F.T.S., Regina, Sask.
No. 16 E.F.T.S., Edmonton, Alta.

No. 1 air navigation school, Rivers, Man.

Air observer schools—5.
No. 1 air observer school, Malton, Ont.
No. 2 air observer school, Edmonton, Alta.
No. 3 air observer school, Regina, Sask.
No. 4 air observer school, London, Ont.
No. 5 air observer school, Winnipeg, Man.

Bombing and gunnery schools—3.
No. 1 bombing and gunnery school, Jarvis, Ont.
No. 2 bombing and gunnery school, Mossbank, Sask.
No. 4 bombing and gunnery school, Fingal, Ont.

Wireless schools—3.
No. 1 wireless school, Montreal, P.Q.
No. 2 wireless school, Calgary, Alta.
No. 3 wireless school, Winnipeg, Man.

Service flying training schools—9.
No. 1 S.F.T.S., Camp Borden, Ont.
No. 2 S.F.T.S., Ottawa, Ont.
No. 3 S.F.T.S., Calgary, Alta.
No. 4 S.F.T.S., Saskatoon, Sask.
No. 5 S.F.T.S., Brantford, Ont.
No. 6 S.F.T.S., Dunnville, Ont.
No. 7 S.F.T.S., Macleod, Alta.
No. 8 S.F.T.S., Moncton, N.B.
No. 9 S.F.T.S., Summerside, P.E.I.

In addition to the above schools of the Royal Canadian Air Force, there are certain special schools by the Royal Air Force. It is not deemed in the public interest to give either the names or locations of these schools.

In addition to the above schools there are also two training units maintained by the home war establishment: School of army cooperation, Ottawa, Ont.; No. 13 operational training squadron, Patricia Bay, B.C.

List and addresses of R.C.A.F. recruiting centres: Vancouver, B.C., 332 Federal building; Calgary, Alta., 1206-1st street east; Edmonton, Alta., Provincial building; Saskatoon, Sask., Birks bldg., 153 Third ave. S.; Regina, Sask., New Regina Trading Co. bldg.; Winnipeg, Man., Lindsay bldg., 228 Notre Dame ave.; North bay, Ont., 99 Main street west; Windsor, Ont., Liddy bldg., 461 Ouellette ave.; London, Ont., Old Post Office building; Hamilton, Ont., 275 James street south; Toronto, Ont., 297 Bay street; Ottawa, Ont., 90 O'Connor street; Montreal, Que., Post Office bldg., 1254 Bishop st.; Quebec, P.Q., 53 Buade street; Moncton, N.B., Dominion public building; Halifax, N.S., Broadcasting House, 10 Tobin st.; Charlottetown, P.E.I., 25 Kent street.

14873—66½

INTERNED ALIENS—DEPORTATION AFTER THE WAR

Mr. ROY:

1. Were aliens in Canada who have been interned during the present war permitted to retain possession of their property?

2. Will they be subject to deportation on the cessation of hostilities or shall we allow to remain in Canada members of the fifth column who have been or shall be interned for the duration of the war?

Mr. CASGRAIN:

1. Under the consolidated regulations respecting trading with the enemy, 1939, the definition of "enemy" includes "any person who has been detained under the defence of Canada regulations during the period of such detention". The property, therefore, of any such person for the period of detention is vested in the custodian of enemy property.

2. Information is not available as to the number of interned persons who may be subject to deportation under the immigration laws as they stand at present. This inquiry raises a question of government policy which, obviously, cannot be settled until the termination of hostilities.

CANADIAN ARMY—ENLISTED MEN PAID AS TRADESMEN

Mr. WINKLER:

1. Are any of the enlisted men in the C.A.S.F. receiving pay as tradesmen, such as carpenters and so forth?

2. Did recruiting officers receive authority to offer the going pay as tradesmen in order to induce men to enlist?

Mr. RALSTON:

1. The financial regulations and instructions for the Canadian active service force on active service provide that warrant officers, non-commissioned officers and men employed as tradesmen in capacities and under such limitations and conditions as are authorized by the minister, shall, if qualified and approved by the officer commanding the unit to which they belong, be entitled to receive tradesmen's rates of pay.

2. No instructions authorizing recruiting officers to offer tradesmen's rates of pay as an inducement to men to enlist have been issued by the Department of National Defence.

ANGLIN NORCROSS COMPANY—CONTRACTS

Mr. LaCROIX (Quebec-Montmorency):

1. Have any contracts, without tenders being called for, been given to the firm of Anglin Norcross Company, Limited, for national defence works in the city of Quebec or at Valcartier?

2. If so, (a) on what conditions are such contracts awarded; (b) what is the total amount of such contracts; (c) why did the government not ask for tenders from local contractors?

Mr. HOWE:

1. Yes. A general construction contract was awarded the Anglin Norcross Quebec Limited, 892 Sherbrooke Street West, Montreal, Quebec, for a small arms ammunition factory for the Quebec arsenal at St. Malo, Palace Hill and Valcartier, file 4-1-129, P.C. 3320, which included reconstruction of the St. Malo shops, the construction of additional buildings at St. Malo, Palace Hill and Valcartier, the installation of the machinery and equipment and the construction of all works and services required for the completion of the undertaking.

2. (a) The contract was awarded on the basis of cost plus a fixed fee. Included as items of cost are plant rental at the rate of 3 per cent per month, which is the usual rental provided in such contracts, and a service charge of $6,000 a month to cover the cost of the work done in the contractor's Montreal office as follows: (a) Estimating quantities and preparing building material; (b) purchasing construction materials; (c) arranging and awarding sub-contracts; (d) expediting deliveries; (e) accounting, invoices, pay-rolls, monthly statements; (f) financial arrangements, invoices, tax reports, insurance, etc.; (g) employment services. The amount of the fixed fee is $35,000, and covers salaries of the contractors, executives, office rent, a proportion of the Montreal office expenses and profit.

(b) The total estimated expenditure on the original project is $2,500,000, which was required to double the productive capacity of the arsenal for ·303 ammunition. Since this was awarded, and upon request from the United Kingdom for a still greater arsenal output, a further extension of this contract is planned, to the amount of $2,700,000, making a total estimated expenditure on the Anglin Norcross Quebec Limited contract of $5,200,000. The increase of the fixed fee payable to the contractor is $17,500, making a total of $52,500 as the fixed fee for the original contract plus the extension.

The foregoing represents only one part of the total extension necessary to the Quebec arsenal, the total estimated expenditure being $10,000,000, comprising $5,200,000 (Anglin Norcross Quebec Limited) as heretofore stated, as the estimated cost of the construction work herein reported, and $4,800,000 to cover the cost of machinery, engineering expenses and certain other construction work not covered by the Anglin Norcross Quebec Limited contract, and which will be awarded to local contractors.

(c) The work covered by Anglin Norcross Quebec Limited on the original contract ($2,500,000) was so complicated and so urgently required that, after consultation with the officers in charge of the arsenal, it was considered impracticable to prepare plans and specifications and to call for tenders in the usual way. Not only were new buildings to be built, but extensive alterations and extensions to existing buildings were required, as well as a large amount of mechanical work of a special nature that could not be contracted for on a unit price or lump sum basis. To ensure the completion of all phases of the work at the proper time, the recommendation of the department's consulting engineers was taken, that all the construction work be entrusted to a single firm having adequate personnel experienced in this kind of work and immediately available.

For the additional work made necessary by the increase in the capacity of the arsenal, for which provision has been made in the amount of $2,700,000, the arsenal authorities were insistent that the contractor already engaged in constructing the factory buildings and installing the equipment therein should also construct the extensions to such buildings and complete the installation of the additional machinery in the buildings being constructed by him and the extensions thereto. In their view, the employment of other contractors in these buildings at the same time would have resulted in confusion and delay and have unnecessarily interfered with the arsenal output.

For the balance of the expansion to the Quebec arsenal not covered by work already contracted for by the Anglin Norcross Quebec Limited, it is proposed that plans and specifications for the construction work be prepared by local architects, and the construction contracts awarded to contractors in the vicinity who are able to tender. The amount of such work will be substantial.

DOMINION-PROVINCIAL CONFERENCE—EMPLOYMENT OF ADJUTOR SAVARD

Mr. ROY:

1. Was Mr. Adjutor Savard in the employ of the dominion government before, during and after the interprovincial conference of the 14th and 15th January, 1941?
2. If so, for what length of time?
3. What were his duties?
4. How much did he receive for such services?

Mr. ILSLEY:

1. Yes.

2 and 3. Executive assistant to secretary of dominion-provincial conference, December 4, 1940, to January 31, 1941.

4. At the rate of $425 a month.

WAR SAVINGS CAMPAIGN—EMPLOYMENT OF ADJUTOR SAVARD

Mr. ROY:

1. Is Mr. Adjutor Savard in the employ of the dominion government as French publicist for the war savings campaign?

2. If so, how much is he being paid for his services?

Mr. ILSLEY:

1. No. (However, it is understood that he is employed by the Canadian publishers' war finance committee. This committee, which is similar in function to those committees which played an important part during the war loan campaigns of the last war, was set up by Canadian publishers to assist the Minister of Finance in connection with the advertising and publicity aspects of the war savings campaign. A voluntary offer of the publishers to provide this type of cooperation in Canada's war effort was accepted by the minister but responsibility for the organization rests solely on the publishers themselves. The government has had no voice in the selection of the committee or its sub-committees or its employees but has agreed to recoup the committee for its out-of-pocket expenses.)

2. Answered by No. 1.

CANADIAN ARMY—EXAMINATIONS FOR QUALIFICATION AS LIEUTENANT

Mr. CLAXTON:

How many candidates in each military district tried, and how many passed, the examinations set by the national defence headquarters for qualification as lieutenant, in December, 1938, in March, 1939, in December, 1939, in March, 1940, and in December, 1940?

Mr. RALSTON: See following statement:

Military district	Dec., 1938		March, 1939		Dec., 1939		March, 1940		Dec., 1940	
	No. of candidates	No. qual.	No. of candidates	No. qual.	No. of candidates	No. qual.	No. of candidates	No. qual.	No. of candidates	No. qual.
1.....	58	32	102	78	176	125	198	102		
2.....	76	42	142	115	196	142	184	133	Returns	
3.....	106	81	308	192	453	377	565	445		
4.....	102	65	162	110	280	109	1,684	920	not yet	
5.....	58	41	112	68	210	98	276	158		
6.....	72	59	146	112	201	110	182	151	complete	
7.....	64	38	115	75	201	109	188	58		
10.....	89	65	162	112	224	176	476	380		
11.....	72	58	148	98	248	176	282	187		
12.....	68	42	120	82	114	72	128	92		
13.....	82	58	256	92	392	110	532	171		

WAR MATERIALS—CONTRACTS IN QUEBEC PROVINCE

Mr. ROY:

1. How many plants or workshops suitable for the manufacture of war materials are located in each of the following counties—Gaspé, Magdalen islands, Bonaventure, Matapedia-Matane, Rimouski, Richelieu, Quebec, and Kingston and London, Ontario?

2. How many contracts for war materials have been awarded to date in each of the following counties—Gaspé, Magdalen islands, Bonaventure, Matapedia-Matane, Rimouski and in the cities of Quebec, Ottawa, Toronto, Hamilton and Peterborough, and the counties in which such cities are located?

3. What is the amount of each and to whom was it awarded?

Mr. HOWE:

1. The plant records division of the Department of Munitions and Supply show the following plants, which have been indexed as possible sources of supply for war materials. It is not possible to state in each case which of these are "suitable".

Gaspé county—None.
Magdalen islands county—None.
Bonaventure county—One.
Matapedia-Matane county—Two.
Rimouski county—Two.
Richelieu county—Five.
Quebec county—Twenty, most of which are suitable for certain war requirements.

Kingston (city)—Seven, of which four are suitable.

London (city)—Thirty-five, of which twenty are suitable.

2. See published Record of Contracts Awarded, and pages 244 and 462, *Hansard*, regarding blanket questions.

3. Answered by 2.

FREIGHT RATES ON GRAIN FOR STOCK FEEDING—AGREEMENTS WITH PROVINCES

Mr. REID:

1. Have any agreements been entered into between the dominion government and any of the provinces in connection with the absorption of the costs of freight tolls on grain used for stock feeding and coming from any of the three prairie provinces?

2. If so, what is the nature and extent of any such agreements or proposal made or entered into?

3. Was any such proposal made to all the provinces?

4. If so, what provinces have accepted or agreed to accept any such proposal?

5. What provinces have so far entered into any such arrangement?

Mr. GARDINER:

1. Agreement with one province is pending.

2. Not yet completed.

3. Offer of freight assistance was made to all eastern provinces and it was intimated to British Columbia that we were prepared to work out a similar arrangement for British Columbia if desired.

4 and 5. Answered by No. 1.

UNEMPLOYMENT INSURANCE ACT—EMPLOYEES

Mr. DIEFENBAKER:

How many appointments have been made to date in connection with the Unemployment Insurance Act, and what number of employees is it anticipated will be required in order to administer said act?

Mr. McLARTY:

Appointments: Permanent, 2 commissioners, 1 chief commissioner, later deceased, whose place has been taken by an acting chief commissioner, 8 officials; temporary, 11 clerks and stenographers; on loan from other branches of government service, 7 clerks and stenographers; total, 29.

The unemployment insurance commission reports that its procedures and plans have not as yet been developed to the point where an accurate estimate of the number of employees which will ultimately be required to administer the act may be made. During the hearings before the special committee appointed by the House of Commons to consider the unemployment insurance bill in July, 1940, an approximation was stated to be in the neighbourhood of 3,000 employees.

[Mr. Howe.]

CANADIAN ARMY—PROVISION FOR DEPENDENTS

Mr. COCKERAM:

1. What provision has been made to take care of dependents of men serving in the active forces in Canada, should they die from natural causes during such service?

2. What provision has been made to take care of dependents of men serving in the reserve army, who should die whilst on parade and carrying on their normal military duties?

Mr. MACKENZIE (Vancouver Centre):

1. Order in council P.C. 1971 of the 21st May, 1940, provides that the provisions of section 11 (2) of the Pension Act shall apply in respect of disability or death incurred by members of the naval, military or air forces of Canada while serving in Canada after that date. Under that section of the Pension Act, pension may be awarded the dependents of a deceased member of the forces when the injury or disease or the aggravation thereof resulting in death arose out of and was directly connected with such military services.

2. The same provisions apply to members of the reserve army while on duty.

SOUTH WATERLOO, ONT., CHIEF CENSUS OFFICER

Mr. HOMUTH:

1. Who has been named chief census officer for South Waterloo?

2. By whom was he recommended for the position?

3. Who has been named chief census officer for North Waterloo?

4. By whom was he recommended for the position?

Mr. MacKINNON (Edmonton West):

1. J. N. Courtney, Hespeler, Ont.

2. The Minister of Trade and Commerce.

3. J. E. Wagner, Kitchener, Ont.

4. The Minister of Trade and Commerce.

DOMINION-PROVINCIAL CONFERENCE—SECRETARY OF CONSTITUTIONAL COMMITTEE

Mr. BENCE:

1. Who was designated to act as secretary of the constitutional committee of the dominion-provincial conference?

2. Was any allowance or other remuneration paid to him?

3. If so, what was the amount of such allowance or other remuneration?

Mr. MACKENZIE KING:

1. Brooke Claxton, K.C., M.P.

2. No.

3. Answered by 2.

WAR CONTRACTS DEPRECIATION BOARD—F. H. BLACK

Mr. BENCE:

1. Is F. H. Black associated with the war contracts depreciation board?

2. If so, in what capacity?

3. What is his usual place of residence?

4. What is his usual occupation?
5. What salary allowance or other remuneration is paid to him?

Mr. HOWE:

1. Yes.

2. As a member of the board, munitions and supply representative.

3. Port Arthur, Ontario.

4. Senior partner of the firm Black and Hanson, chartered accounts of Winnipeg and Port Arthur.

5. Fee of $50 per day for each day he is in attendance as a member of the board, plus travelling expenses to and from Ottawa in the exercise of his duties as a member of the board.

NATIONAL DEFENCE—FRANCIS FARWELL

Mr. BENCE:

1. Is Francis Farwell employed in the Department of National Defence?
2. If so, in what capacity?
3. What is his usual place of residence?
4. What is his usual occupation?
5. What salary allowance or other remuneration is paid to him?

Mr. RALSTON:

1. Yes.

2. Special assistant to the master-general of the ordnance. In charge of the maintenance of mechanized vehicles.

3. Hamilton, Ontario.

4. President and managing director of Canada Coach Lines, chairman of the board Martin Transport Limited.

5. No salary. He is paid a living allowance of $15 per day.

QUESTIONS PASSED AS ORDERS FOR RETURNS

QUEBEC PROVINCE MILITARY TRAINING CAMPS

Mr. ROY:

1. Were any representations made to the government for the establishment of military training camps in either or all of the following counties: Hull, Pontiac, Wright, Labelle, Chapleau and Gaspé?
2. If so, by whom were these representations made and what action was taken?

FOREIGN EXCHANGE—RETIREMENT OF CANADIAN LOANS

Mr. HARRIS (Danforth):

How many United States dollars were used by Canada in each of the years 1939 and 1940 to retire (a) Dominion of Canada loans; (b) loans on Canadian enterprises owned by or carrying the endorsement or guarantee of the Dominion of Canada?

Mr. ILSLEY: Order for return.

Mr. HANSON (York-Sunbury): May I ask the Minister of Finance (Mr. Ilsley) why this question should not be answered rather than made an order for return?

Mr. ILSLEY: It applies to two departments, Finance and Transport. That is the reason.

Mr. HANSON (York-Sunbury): I do not see where Transport comes in. However, the minister may be right.

DEBERT, N.S., AIRPORT AND MILITARY CAMP

Mr. BLACK (Cumberland):

1. What acreage has been acquired for the Debert airport and military camp, (a) airport; (b) military camp?
2. From whom were such lands secured, stating, (a) the acreage from each party; (b) the prices asked by each party, (c) the amount paid or offered in payment?
3. What has been the total expenditures for drainage, stating, (a) the quantity of tile or drainage or sewer pipe purchased, (b) from whom such pipe was purchased and the delivered prices for each size?

Mr. RALSTON: Acquisition of the land and titles thereto has not yet been completed. A number of properties are still under negotiation. The Department of Munitions and Supply is interested in the third part of the question, so I think it ought to be made an order for a return.

DEPARTMENT OF NATIONAL WAR SERVICES—PERSONNEL

Mr. ROSS (Souris):

1. What are the names of the personnel of the department of war services?
2. What are their respective duties and salaries?
3. What was their occupation and address at the time of appointment?
4. Who of them have had previous active war service?

Mr. GARDINER: Order for return.

Mr. HANSON (York-Sunbury): This question certainly applies to only one department and I object to its being made an order for return. The question should be answered.

Mr. GARDINER: It would be a fairly long answer. The staffs are spread right across Canada from Vancouver to Halifax, and it would take some time to get the information compiled. I think this should be made an order for return.

Mr. HANSON (York-Sunbury): I do not think so. The basis of an order for return is that more than one department is interested.

Mr. GARDINER: There are other reasons.

Mr. HANSON (York-Sunbury): But that is the main reason and the one I have always heard urged in this house. I know that the government has considerable authority in this matter, but I do know that private members are entitled to get the answers to their questions on record unless there is some primary reason why that should not be done. I have heard that alleged by hon. gentlemen opposite when they were sitting over here.

Mr. MACKENZIE KING: As my hon. friend is aware it is for the government itself to decide whether it will have a question answered immediately or be made an order for return, and the government takes the responsibility for its decision.

WAR MATERIALS AND SUPPLIES—SHIPS, AEROPLANES, AUTOMOBILE UNITS AND NAVAL GUNS

Mr. BRUCE:

1. How many ships will be in service in the Royal Canadian Navy by March 31, 1941?
2. How many aeroplanes are now being produced per month or will be produced per month by March 31, 1941?
3. How many Anson aeroplanes have been produced up to the 1st of February, 1941?
4. How many Anson aeroplanes have been produced in Canada for training purposes?
5. What other types of aeroplanes are being made in Canada and what has been the production of each up to the 1st of February, 1941?
6. How many automotive units for military purposes were being produced per day on January 31, 1941?
7. How many naval guns have been produced in Canada's largest gun plant up to February 1, 1941?
8. What is the size of the largest naval gun produced?
9. How many 25-pounders have been produced by February 1, 1941?
10. Have any of the latter been sent overseas? If so, how many?

GOVERNMENT PURCHASES OF MOTOR CARS

Mr. COCKERAM:

1. How many motor cars have been purchased by the government since September 1, 1939, for the use of, (a) headquarters staff of the Department of National Defence; (b) headquarters staff of the Department of National Defence for Air; (c) headquarters staff of the Department of National Defence for Naval Affairs?
2. What make or makes of cars have been so purchased?
3. What number of each make was purchased?
4. What are the names and the positions respectively of each of the officers and/or officials of each of the several departments mentioned who are entitled to the use of the motor cars so purchased by the government?
5. How many men enlisted in the services are engaged in full or part time duty as chauffeurs?
6. What is the total amount expended to date for the cars so purchased for gas, oil and maintenance?

[Mr. R. B. Hanson.]

REESTABLISHMENT OF SOLDIERS INVALIDED HOME OR DISCHARGED AS MEDICALLY UNFIT

Mr. COCKERAM:

1. What are the total enlistments by provinces in Canada for the following: (a) navy; (b) R.C.A.F.; (c) active army; (d) reserve army?
2. How many men have been discharged as medically unfit since September 1, 1939, to January 31, 1941, from the following forces: (a) navy; (b) R.C.A.F.; (c) active forces?
3. How many men have been invalided home from overseas on account of wounds?
4. How many men have been invalided home from overseas on account of illness?
5. What steps have been taken to reestablish these men in civilian life other than one month's pay, one month's dependents' allowance and clothing allowance of $35?

MOTIONS FOR PAPERS

JOHN INGLIS COMPANY—CONTRACTS AND AGREEMENTS

Mr. CARDIFF:

For a copy of all correspondence, telegrams, memoranda and/or other documents and papers in the possession of the government, relating to all contracts, supplementary contracts or agreements and/or revisions of contracts or agreements entered into between his majesty's government in Canada and the John Inglis Company of Toronto since September 1, 1939.

BAIE-DES-SABLES, QUE.—WHARF CONTRACT

Mr. ROY:

For a copy of all correspondence, reports, estimates, recommendations, bills and vouchers, bearing on the payment of the sum of $14,332.50 by the government to Bertrand and Brother, L'Orignal, Ontario, as compensation for the cancellation and termination of a contract awarded in 1939 for the construction of a wharf at Baie-des-Sables, county of Matane, for the approximate sum of $76,832.86, and covered by a budget appropriation of $25,000.

WAR SAVINGS CERTIFICATES—COST OF CAMPAIGN

Mr. COCKERAM:

For a return showing: (a) the total amount of money expended to date in advertising the sale of war savings certificates; (b) the names of the agencies employed for this purpose; (c) the amounts paid to each such agency; (d) the names of all persons employed with remuneration in the organization of the campaign; (e) the amounts, paid to each such person.

WEIGHTS AND MEASURES

Mr. DOUGLAS (Weyburn):

For a copy of the report submitted by S. Cuddy, Esq., supervisor of short weights to E. O. Way, director of weights and measures, under date of October 13, 1939.

Mr. MacKINNON (Edmonton West): Mr. Speaker, the report in question is confidential, and in my opinion it is not in the public interest that it be released.

Motion dropped.

WAR REFUGEES AND PRISONERS OF WAR

Mr. ROY:

For a copy of all correspondence, telegrams and other documents exchanged between the government of the province of Quebec and the dominion government, since the beginning of the present war to date, with respect to war refugees and prisoners of war.

Mr. MACKENZIE KING: I am informed by my colleague the Secretary of State that he does not recall any exchange of correspondence between the government of Quebec and the dominion government with respect to the war refugees and prisoners of war, since the beginning of the war. Apart from that, however, I do not think that correspondence with respect to prisoners of war should be brought down at this time. In that circumstance, the order would not pass.

Mr. HANSON (York-Sunbury): Does the Prime Minister state as a matter of fact that there is not any correspondence?

Mr. MACKENZIE KING: I cannot say as a matter of fact, but I asked my colleague the Secretary of State if there was any, and he said that as far as he could recollect he had not any. However, he might refresh his memory. Even if there is, I do not think it would be proper to have it brought down.

Mr. HANSON (York-Sunbury): We can debate that later on. Could we not let the motion stand until it is ascertained whether there is any correspondence?

Mr. POULIOT: I ask the leader of the opposition to rise to speak, and not to speak while sitting. Let us have manners—good manners—in the house.

Mr. SPEAKER: Dropped.

WAR APPROPRIATION BILL

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

The house resumed from Friday, February 21, consideration in committee of a resolution to provide sums not exceeding $1,300,000,000 for the year ending March 31, 1942, for the carrying out of measures consequent upon the existence of a state of war—Mr. Ilsley—Mr. Vien in the chair.

Mr. CRUICKSHANK: Under this heading I should like to bring up a matter which particularly concerns the war effort of Canada and should come under this bill. I am speaking as a member of this house, as one who lost his brother in the last war, and as one who is himself a returned soldier. On February 19, the leader of a party for whom I have always had the greatest admiration, made this statement: I quote from *Hansard*, page 838:

Mr. Hanson (York-Sunbury): It is a rhetorical question; the Prime Minister can answer later if he wants to. The fact is that Australia is on the field of battle, and Canada is not.

Mr. Mackenzie King: I deny that absolutely. Canada is very much on the field of battle.

Mr. Hanson (York-Sunbury): Tell that to the marines! The people of Canada know that we are not in Libya. We have a few airmen in England; we have men in training in England.

Speaking as a member and as a returned soldier, I resent that, not only on my own behalf, but on behalf of all the returned soldiers in Canada, for whom I believe I may speak. I do not know in what regiment the leader of the opposition served in the last war, but I served in the 29th battalion. I speak for every returned soldier in Canada, and for the mother, the father, and sister and brother of every soldier we have in the present theatres of war. I wonder what contribution the leader of the opposition thought he was making to this war effort when he cast such an aspersion on the Canadians who are in England and other theatres of war to-day. Do not forget that we have nurses over there undergoing bombing raids and taking all kinds of risks. On their behalf and also on behalf of all our constituents, let me say that if this is the type of leadership we are to expect from a so-called national government, the returned soldiers of the last war and the men who are in the front line in the present struggle do not want those people as leaders of any government during the continuance of this war.

Mr. HOWE: I have been asked on several occasions to make a statement on the situation affecting war production in Canada with particular reference to the aircraft industry, and with the consent of hon. members I will do so at this time.

In discussing the work of the Department of Munitions and Supply, perhaps I should first say a word about the department itself. It is a popular sport to criticize the department, and the criticism from some quarters is nothing short of abusive. In an editorial which I picked up to-day I saw the department described as the "cumbrous, amorphous and overloaded department of munitions and supply, reaching the breaking point." I think it is fair to the men who are carrying on the work of the department to say just a word about it from their point of view.

The department has been charged with all the purchasing for the army, the navy and the air force, and has to carry out all military construction work in Canada, with the exception of some work carried on by the army by day labour, and also to purchase for the government of Great Britain, the

governments of Australia, New Zealand, South Africa and India, and two or three governments outside the empire.

Mr. MacNICOL: That is, purchases in America?

Mr. HOWE: Purchases in Canada. That work has grown to very large proportions; I am not denying that at all. I doubt whether hon. members have any real idea of the proportions to which it has grown, but I illustrated it a day or two ago when I said that whereas the first Bren contract, which was regarded at the time as quite considerable, called for 5,000 guns a year, the house would not believe me when I informed it that the present contracts with the Bren company called for a production of 97,500 a year or 19½ times the original number. And yet people have to be convinced that this is so—the very people who every few days make the charge that nothing is being done by Canada in organizing the productive capacity of the country.

Anyone who will take a railway journey through the maritime provinces will see our railways in that section taxed to capacity. The ports of Saint John and Halifax are overtaxed in the effort to move the products of Canada destined for war areas. Anyone who takes that trip should think back and reflect upon the fact that this situation is due to the productive capacity of the country organized for war.

As to whether the department is cumbrous and amorphous, I looked up the dictionary to make sure that I had the right meaning of the word "amorphous." I find that it means shapeless or unorganized. Is the department unorganized? I have here an organization chart which is kept up to date for each month. It shows the direct relationship between the branches of the department, to whom they report, and by what channels they reach the minister for such decisions that have to be made. I wish to place this chart on *Hansard*.* It might be interesting to hon. members.

As to whether the department is reaching the breaking point, I read in the press daily that my health is breaking down, that I am close to the breaking point, though personally I have not noticed anything of the kind. My own view is that I should be the first to notice such a thing. Others may think I should be the last to be aware of it, but I know that the Prime Minister keeps a very careful eye on the work of all departments and I am perfectly sure that if I were past or even near the breaking point he would so advise me and assign me to less onerous duties. That is his responsibility, and I have not the slightest doubt that he will discharge it. I want no sympathy for myself. I did not ask for the job of minister of munitions; it was assigned to me. I took it because I thought it was my duty to do so, and I intend to fill the position until I am asked to assume other duties or to step down. If in carrying out the duties of the office I break down, that will be no one's loss but my own.

Mr. MACKENZIE KING: The country's loss.

Mr. HOWE: I ask for no sympathy on that score. As to whether the department has reached the breaking point, to my mind the Department of Munitions and Supply is just as virile and as able to carry on to-day as it was when I took over. We keep it alive by constantly infusing new blood into it. Not a month passes but we ask a prominent executive, some man who has established his ability as an executive in Canada, to take over some of the work of the department. In the last month we have asked four prominent executives to lend us their services. One is Mr. Harry Carmichael, who left a position carrying a very large salary as vice-president and general manager of General Motors Corporation of Canada. We requested him to work for the Department of Munitions and Supply without salary. We have taken in Mr. R. C. Berkinshaw, general manager of Goodyear Tire and Rubber company. We have taken in Mr. Brown, an important executive of the Canadian Bank of Commerce, and Mr. Joseph Piggott, one of the most prominent contractors of the country—all giving full-time work without salary. I doubt whether they would have left these important positions to join a department that is "cumbrous, amorphous and reaching the breaking point."

I do not wish to stress this point but I think I speak for the many executives who have left prominent positions in civil life to work with the department when I say that we ask for no sympathy so far as the personnel of the department is concerned.

It has been said that we are working without a plan. The leader of the opposition said that while Mr. Purvis knew exactly where he was going, the Department of Munitions and Supply was working along from day to day without a plan and without an objective. I have here two letters that are interesting on that point, though they are not of importance otherwise. One is addressed to Mr. Fairweather, the director-general of the economics and statistic branch, by the head

*See chart following page 1042.

of the planning branch of the British purchasing commission in Washington. It is dated February 5. I quote:

Dear Mr. Fairweather:

It is only in the last day or so that I have had an opportunity to go over the figures you brought down from Canada last week. The more I study them, the more convinced I am that you have given us just what we needed. Mr. Purvis and Mr. Monnet are both very well satisfied.

I shall probably be sending you teletypes from time to time in connection with some of the details as we go deeper into the figures, but the information in your tables is ample for our purposes and gives a comprehensive picture of the entire Canadian effort.

May I thank you for all the trouble you took in preparing the tables and bringing them down to us.

I was sorry that you were not able to stay longer in Washington.

John S. Guest.

There is another letter from Mr. Guest dated February 18:

Many thanks for your letter of February 14 with supplementary forecasts of deliveries of certain items from April-December 1942.

We realize fully that the projection of output shown on your quarterly tables assumes that the capacity continues to be employed on repeat orders and that it makes no allowance for output from new capacity not yet under construction.

Your annual figures for maximum potential output do take account of such possible new capacity. The possession of both of these sets of figures greatly adds to the value of each. We anticipate that our forecast of United States deliveries will be ready by the end of next week, and we shall be glad to send copies up to Mr. Howe.

Notice that; ours is in, and the other is coming.

In discussing our aircraft production, I wish to be exceedingly frank as to how it stands. I think hon. members should bear in mind that all we can do in the Department of Munitions and Supply is to organize industry as efficiently as possible, and to place the work that we are required to place with the firms best able to do it, having in mind their other commitments. If an industry is capable and is working along lines for which it has been organized, we invariably find that that industry is able to meet and in many cases to exceed our expectation. If we are dealing with an industry which has been newly created, one which has little background and has expanded rapidly, we are not able to forecast accurately what that industry will do. I have in mind the aeroplane industry, which in 1937 was practically nothing, but which to-day employs about eighteen thousand people. We study the situation and base our plans upon what we think an industry ought to do. Obviously we are not able to predict with the same degree of exactitude that we can in well-organized industries, or in connection with a substantial industry performing in its own sphere.

Again, we have reliable industries with established production reputations coming into production on articles the manufacture of which is entirely strange to them. There again predictions are apt to be unreliable. If someone would like to read another view on this point I suggest he might be interested in reading an article by Mr. Charles F. Kettering, president of the General Motors research corporation. I might add that Mr. Kettering is credited with having improved methods of automobile manufacturing to an extent greater than any other man living. The title of that article is "Guns are not Windshield Wipers," and it appears in the *Saturday Evening Post*—

Mr. HANSON (York-Sunbury): What?

Mr. HOWE: —the issue of January 18. It is a warning, particularly to the automobile industry in the United States, that when they step into the manufacture of aeroplanes, guns and aeroplane engines they are stepping into a field unknown to them, and that they will not have a background of twenty years of progress to guide them. It advises them not to make too optimistic promises. We find that borne out in the production situation as it is to-day.

In Canada we have ten major divisions of production. Of those ten divisions, seven are fully up to or ahead of schedule. Three are not up to schedule and are not in as good position as the other seven.

First I refer to personal equipment, the general buying of clothing and articles used by the troops. As is known, we had difficulty in the early days of the war in bringing that industry up to the production level required. There is no difficulty to-day. We are well ahead in every branch of that industry.

As to the construction industry; in the last building season we tested that industry in a way in which I believe it had never been tested before in Canada, and it met every demand made upon it. As hon. members know, so far as the air training programme was concerned we did two years' construction in one, and we carried on a great amount of work in other branches of the service. No difficulty there.

In regard to shipbuilding, when our naval programme was under consideration we made a survey of the shipyards in Canada, and an estimate of the production we could obtain from those shipyards. I can report that those forecasts have been greatly exceeded; we have a much greater output of shipbuilding than we had forecast at the time we laid down our programme.

In the matter of mechanical transport, there we have a well organized industry, one of the best organized in Canada, and one of the most efficient. It was able to turn its facilities over to the manufacture of mechanical transport and universal carriers. It has met every strain put upon it. That industry in Canada has been so efficient that Great Britain has not found it necessary to enter the great market across the line for the purchase of motor transports.

In the matter of chemicals and explosives we have lived up to every prediction. Our first huge explosive plant was brought in two months ahead of schedule, and to-day not only is it producing at capacity, but it is producing about twenty-five per cent over capacity. The balance of the programme is well up to schedule. No plant is seriously behind schedule, and there are several plants well ahead. So that we have nothing of an adverse character to report in connection with chemicals and explosives.

Shells and shell components. Here again we are well up to schedule. We had in Canada a great number of manufacturing plants that had made shells during the last war, and which were able to step quickly into production at the beginning of this one. They have been able to maintain every promise we exacted from them when we placed our shell orders. The same applies to components—that is fuses, time fuses, gains, and all components which go into the finished loaded shell. That work is well up to schedule, and there again I can think of no situation which should be called to the attention of the committee as being out of step. I might say that we are producing to-day about 350,000 shells a month, a million every three months.

With respect to steel production, we have made a tremendous expansion. If I were to give the figures for steel production in each of the last three years I believe I would have hon. members correcting me again, and making the suggestion that I must be mistaken. Since the war started we have greatly enlarged the potential steel capacity of Canada, and that industry is producing as much as, in fact more than, we ever expected of it.

Alloys production. Here again we have stepped up the industry to ten or twelve times its pre-war capacity. Plants have been coming in from time to time, and production is fully up to schedule.

Small arms ammunition. Here again we are meeting with great success. The production of small arms ammunition constitutes one of our largest programmes. Each plant has come in either when scheduled or before scheduled. The quality of the ammunition is exceptionally fine. I think we are making to-day about 80 per cent red label ammunition, as against about 40 per cent on orders placed at the same time in the United States. "Red label" ammunition means ammunition used in aircraft. It must be of the highest quality, and is especially tested for that purpose.

Now we come to the branches of the department which are not fully up to schedule, the first of which is aeroplanes. As I said a few moments ago, here we have a mushroom industry which has expanded rapidly, an industry with no background in this country, whose only designing talent has been that created in this country in the last few years. We have been taking new men into this industry in tremendous numbers, giving them brief training and putting them in as production mechanics. I intend to give a comprehensive statement of what has been accomplished, and I do not think Canada has anything to be ashamed of in that connection, though I am frank to say that we cannot predict what will be done in this industry with anything like the accuracy with which we can predict developments in other branches. As a matter of fact our predictions for every branch of the aeroplane industry have been somewhat too optimistic.

Then we come to tanks and universal carriers. As I have said, these universal carriers are up to schedule. Production was a bit late in starting, but to-day it is what we anticipated. I think the programme actually was about two months late in starting, but I do not believe there will be any great difficulty in regaining that lost ground, because it is going exceptionally well. In the matter of tanks we have reliable industries, with wide backgrounds of manufacturing experience, undertaking an operation with which they are totally unfamiliar; with which, as a matter of fact, everyone in this country is totally unfamiliar. The main contractor for the infantry tanks is the Angus shops of the Canadian Pacific Railway, and we have drawn freely on the best mechanical talent of that company. We have other first-class manufacturing shops working with them in the manufacturing of components, and we are going to get tank production shortly. Just when that will be it is hard to say. They are well ahead in regard to components, but as yet they have not delivered a finished tank, nor were they expected to do so until next month.

Mr. HANSON (York-Sunbury): If the minister will allow me, do they undertake to make the complete tanks, or just parts?

Mr. HOWE: The tanks of which I am speaking are being made completely in Can-

ada except the engines and transmissions. We were able to buy the engines and transmissions from stock in the United States under conditions which made it undesirable to establish production in this country for the quantities we would be likely to buy.

Mr. HANSON (York-Sunbury): I agree with that.

Mr. HOWE: We are making armour plate, and I may say that in this manufacture an immense amount of research has been undertaken. We were not able simply to go out and order armour plate as we would order any other kind of steel; we had to develop a process for annealing it, and we had many failures before we finally arrived at a successful product. To-day, however, we are able to manufacture in Canada all the armour plate that will be used in our tank programme.

Then we come to the cruiser tanks, which are a joint design by the British and United States governments, and in which our own designing staff also has had a hand. In connection with this work we were aware of the difficulty in obtaining complete plans for the manufacture of our infantry tanks. Over twelve hundred drawings are involved in the manufacture of the infantry tanks, and we had great difficulty in assembling them all. When finally we had assembled all the drawings there seemed to be, we found a good many missing links which had to be supplied by the designing staff of the Angus shops. We decided to profit by that experience, and in the case of the cruiser tanks we made arrangements for design and supervision by the principal contractor for those tanks in the United States, the American Car and Foundry company. This company has taken a very substantial part in preparing detailed drawings for all tank production, and we are paying a small fee to the company for special attention to Canadian production, particularly to make sure that we get the plans as quickly as they are furnished to anyone else. I may tell hon. members that as yet we have not all the drawings for the cruiser tank, and neither has anyone else. This design was talked about six months ago and pretty well decided upon; and I say this in order to draw attention to the length of time it requires to develop complete plans for a piece of military equipment such as a tank. However, work is proceeding. That production in Canada is in the hands of our best contractors, and I believe we will produce cruiser tanks as soon as and as efficiently as any other manufacturer.

A great deal has been said in the newspapers and in this house with regard to a report by Mr. H. R. MacMillan, head of the war-time requirements board, on the aeroplane industry. Mr. MacMillan and his board were asked to make a survey of all production in Canada, particularly for the use of the Minister of Finance in preparing the bill now under consideration, and for the information of the war cabinet of the government, as to the state of production in this country as viewed by that board. Mr. MacMillan obtained the assistance of Mr. Harry Carmichael, whom he brought from General Motors for that purpose. Mr. Carmichael obtained the services of Mr. Breech, vice-president of General Motors of the United States in charge of aeroplane production. I hold that report in my hand. It is a bulky document. I would have no particular objection to reading it all, with the exception of the section on guns, which I am sorry to say contains confidential information which I am not at liberty to give to the committee, since it is information with regard to types. I would be prepared, however, to place the complete report in the hands of the committee which will sit in camera to discuss matters of this kind.

Mr. HANSON (York-Sunbury): With the reservation to which the minister has alluded, will he say whether copies of that report will be made available to members of this house? If he tells us that the part relating to guns is confidential and cannot be produced, certainly I would back him up in that position, but are we entitled to see the other part of the report and could it be printed?

Mr. HOWE: I know of no reason why the report, except for the section on guns, should not be published in the *Votes and Proceedings*. Probably I will hear from the service branches about this, since they are perhaps more closely associated than I am with the confidential side of it, but I will take one more look at the report and perhaps consult them. It could be published with the possible deletion of a few figures they may consider confidential.

Mr. MacNICOL: Does the MacMillan report include the Breech report?

Mr. HOWE: So far as I can find out, Mr. Breech never made any report other than a verbal one. He consulted with Mr. MacMillan and Mr. Carmichael. I asked Mr. Carmichael if he had a written report and he told me he had not seen it. Mr. MacMillan had not seen it, and I have not seen it. I cannot say anything more than that, but I am sure that there is no report.

Mr. DIEFENBAKER: Has the minister not seen a letter from Mr. Breech to Mr. Sloan, president of General Motors? My information is that copies are in the possession of one or more of the ministers.

Mr. HOWE: I can assure my hon. friend that a copy is not in my possession. I have never seen such a letter. If there is such a letter I would be very glad to have someone show me a copy. I have never seen any such copy. Perhaps my hon. friend would say where he gets his information because I shall ask Mr. Sloan.

Mr. DIEFENBAKER: The stock answer would be, " it is not in the public interest."

Mr. HANSON (York-Sunbury): I do not know anything about this matter, but there is no reason why we should not try to ascertain the facts. If there is such a letter, that seems to be a perfectly proper proposition.

Mr. HOWE: The hon. member said that there was a copy.

Mr. HANSON (York-Sunbury): He asked the minister if he had heard that there was.

Mr. MACKENZIE KING: I should like to refer to a well known rule of the house, that an hon. member has no right to refer to a communication unless he is prepared to table such communication. The hon. member has referred to a communication and he should table it.

Mr. HANSON (York-Sunbury): He did not say that he had such a letter, he asked the minister if there was such a letter.

Mr. LAPOINTE (Quebec East): Innuendoes.

Mr. HANSON (York-Sunbury): You can make your own interpretation of it.

Mr. LAPOINTE (Quebec East): Anything by insinuation.

Mr. HANSON (York-Sunbury): I do not know of any one more capable than the Minister of Justice (Mr. Lapointe) at that.

Mr. HOWE: This report is dated January 27, 1940. I call the attention of hon. members to the fact that it was prepared while I was away from Canada. I had no knowledge that the report was to be prepared and I had no hand in its preparation. A copy was given to me at the same time as a copy was given to the Minister of Finance (Mr. Ilsley), and I have no information to report other than that. There is no hand of mine in this report. I shall read the aircraft section, which starts at page 10:

Aircraft. Anticipated production for Canadian account of various types is as follows:

(a) Anson's. Production might not start until after July, 1941, and might reach only 200 to 300 in 1941, but if carefully reorganized at several key points and if time lost by failure of sub-contractors can be recaptured, 1941 production might be doubled and production January to March, 1942, might be 300 to 400, or a total of 800 to 900 by March 31, 1942.

[Mr. Diefenbaker.]

I may say that I consulted with Mr. MacMillan as to what key points he had in mind. There has been considerable reorganization, and we have a good deal of hope that we shall be able to pick up some of what he calls "lost time" in that connection.

Bolingbroke. Apparently production difficulties have been surmounted, and, unless unforeseen stoppage arises in supplies or components, contract will be completed by December 31, 1941.

Mr. HANSON (York-Sunbury): What was that contract? What type of plane and how many?

Mr. HOWE: Bolingbroke bomber. I shall give the figures later on because I intend to go fully into production.

Noorduyn. Manufacturing technique the furthest advanced of any Canadian plant. Unless held up by non-receipt of ordered materials or components will complete 210 Harvards by March 31, 1942, 56 Norsemen by September 30, 1941.

Vickers. It seems well in hand and subject to causes beyond their control will complete their contracts January 31, 1942.

Boeing aircraft. Plant building will be finished March, 1941. They should complete 14 amphibians by March 31, 1942.

National Steel Car. Lysanders on order for Canada should be finished March 31, 1942.

Fleet. Trainer production by this company is on a smooth running production basis and should finish—404 fleet 16B by March 31, 1941, 200 Fleet 60 by September 30, 1941.

De Havilland. Trainer production here also on smooth running production basis. Their order should be completed—554 Tiger Moths by September 30, 1941, and 135 Menasco Moths by June 30, 1941.

Now come details of the orders which we have placed on behalf of the British government:

Canadian Car. Manufacturing difficulties have been surmounted. If delays arise they are likely to be due to British causes, changes in design, delay in receipt of necessary goods or drawings. Production of 600 Hurricanes is expected to be completed by July 31, 1941.

Canadian Associated Aircraft. Delays have been numerous due to new designs, non-receipt of essentials from Britain and divided management. If no more delays, 160 Hampdens should be completed by March 31, 1942.

I may say that this was the first company in Canada to undertake war orders in substantial volume. It is a company which was formed by the trade itself and is controlled directly from Great Britain. The general manager was brought to Canada from Great Britain. Up to this time the Canadian government has had no hand in the operations of this company. It is rather interesting to note that with one or two exceptions the companies making up Associated Aircraft are those to which my hon. friend said the contracts should be given if handed over to the trade.

Mr. RALSTON: The company was formed two years ago.

Mr. HOWE: I shall give a history of the company presently.

National Steel Car. Manufacturing difficulties have been overcome. The order for 116 Lysanders should be completed by December 31, 1940.

The potential aircraft manufacturing capacity should be considered from various aspects:

(a) Wages are at the present time on the average lower than in the United States of America.

(b) Efficiency is considerably less than in the United States on large machines, such as bombers, and is somewhere near the United States on smaller planes, such as primary trainers. This is due to newer industry on small volume production.

(c) After the joint air training scheme and the Royal Canadian Air Force are stocked up, say the middle of 1941, the annual Canadian demand will drop to something like: primary trainers, 150; twin engine, 150; single engine trainers, 150; fighters (all types), 300 or less.

The Canadian aircraft building industry as at the present constituted far exceeded this market and the numerous existing units cannot live on the above prospective Canadian market.

(d) Canadian aircraft producing companies are naturally behind the United States of America companies in engineering and plant layout and management. The situation is analogous to the early days of the Canadian motor car industry and to other industries in Canada, whose domestic market is much smaller than the United States domestic market.

The new aircraft engineering ideas, the new production ideas are coming from the United States.

(e) The Bolingbroke bomber is consuming 60,000 man hours. Fairchild hope to get it under 40,000 man hours. A bomber, 50 per cent bigger, is budgeted at 20,000 man hours in the United States, and expectation is 16,000 man hours.

(f) The situation therefore is: Canada already has surplus aircraft production capacity but requires some planning to arrange to use it economically.

H. R. MacMillan,
Chairman.

That is everything in the report relating to aircraft. My hon. friend has put out a press release saying he understands that the MacMillan report recommends this and recommends that. The *Financial Post* is buying space in other newspapers to say that the MacMillan report recommends this and recommends that, and there has been a stack of editorials all across Canada stating that the MacMillan report recommends this and recommends that. Hon. gentlemen now have the MacMillan report. I am going to dwell on that aspect at more length presently.

I promised hon. members a complete report, and I will run over the various companies in order to give the position.

The Boeing Aircraft of Canada have had since the war programme started—

Mr. MacNICOL: Would the minister give the location of the company in each instance?

Mr. HOWE: Yes. Boeing Aircraft of Canada, Limited, is at Vancouver, B.C. Since the war started, they have had orders totalling $9,276,000. They have delivered aircraft to a value of $2,054,000, and they have orders outstanding totalling $7,222,000.

Mr. HANSON (York-Sunbury): The minister is giving the information in terms of dollars and cents, but not the units.

Mr. HOWE: How would you like to have it?

Mr. HANSON (York-Sunbury): The units delivered.

Mr. HOWE: The first contract was for eleven Blackburn Sharks, built for the Canadian government. That contract has been completed. The eleven Sharks have been delivered. On March 14, 1938, they got a further order for six Sharks. That order has been completed. That makes seventeen. On August 13, 1940, they were given a contract for the partial manufacture and complete assembly of fifty-five P.B.Y. amphibian flying boats at an estimated cost of $4,400,000. The P.B.Y. amphibian is one of the newest and largest types of war machines in use, and I can say on the basis of a special report made by an expert very recently that Boeing are well up to the production schedule which they undertook to carry out.

Mr. HANSON (York-Sunbury): Is the minister able to tell us how many units under this contract have been delivered? If he cannot, it is all right.

Mr. HOWE: I can tell you—none. The reason is that it takes anywhere up to eighteen months to get into production of that type of aircraft.

Mr. HANSON (York-Sunbury): Quite so.

Mr. HOWE: At the time the original contract was placed, the number of employees at Boeing was sixty-one, and the number at present employed is 825.

In addition to the contracts for complete planes, Boeing has been doing a great deal of work on components. It has been building spares, wings and ailerons, for the Anson programme, and that work is well ahead.

Canadian Associated Aircraft. This is a purely British company and we will assume that it had expert management—as contrasted with the indifferent management by the Department of Munitions and Supply. The original contract was for eighty Hampden planes. On November 16, 1938, two and a half years ago, the progress schedule was two

aeroplanes on December 31, 1939; four, January 1, 1940; and four a month down to March, 1940; then six in March, and six a month up to August, 1940, in which month production was to step up to eight a month.

On July 18, 1940, a revised schedule for the delivery of Hampden aircraft was made as follows: A schedule was prepared based on flight testing, because the contractor had no control over shipping dates. That is, they put out a new schedule by which they would flight test their planes. The first delivery was set back to July, 1940; one in July, two in August, three in September, four in October, five in November, and eight in December—a much more modest schedule.

Mr. HANSON (York-Sunbury): Was there a change in design?

Mr. HOWE: Changes in design are being made in connection with every aircraft. That schedule was stepped up to eleven in January, 1941; fourteen in February, and fifteen in March.

On August 27, 1940, this company was given an order for another eighty planes of the same type, so its orders to date are for 160 planes. There is no use in giving very much more of this. Up to date this company has shipped to England eight aeroplanes, and I think they have two more flight tested and ready to deliver.

Mr. HANSON (York-Sunbury): That is a British contract?

Mr. HOWE: It is a British-owned company and this is a British contract. I once again say that the owners of the company in Canada are the aircraft men who thought that we should disband Federal Aircraft and put it in their hands.

Canada Car and Foundry company are, I think, the leading aircraft builders in Canada at the moment. They have had, up to this time, contracts of a value of $29,574,000. They have delivered to a value of $5,715,000, and there is outstanding $23,859,000 worth.

Mr. HANSON (York-Sunbury): How many of these were for the Canadian government and how many for the British government?

Mr. HOWE: All these orders were placed by the Canadian government. Some of these planes were ordered for Canadian account, but when Britain was having difficulties in obtaining sufficient planes we turned our order over to Britain. The output of the plant has all gone to Britain although the early orders were placed for the account of Canada and for use in Canada. To date I think all the planes have gone forward to Britain.

[Mr. Howe.]

Mr. JACKMAN: Were they engined in Canada or sent over to be engined in Britain?

Mr. HOWE: They use an engine not made on this continent, and they were sent over to Britain without engines.

Mr. CASTLEDEN: Did the contract call for a unit price?

Mr. HOWE: No; a target price.

Mr. CASTLEDEN: What is the basis of the contract for these planes?

Mr. HOWE: I would prefer to come to that later. I have a long way to go yet and the afternoon is wearing on, but I shall be glad to lay the contract on the table. Substantial deliveries have been made under this contract. I think they are delivering at this time at the rate of between twelve and fifteen aeroplanes a week, or better than two a day, which is pretty well up to schedule.

Canadian Vickers Limited. This firm have had contracts of $5,989,000; they delivered planes to the value of $2,664,000, and they have outstanding orders in the amount of $3,253,000. The original contract was for four Deltas, and those four were duly delivered. They have got a contract for two Stranraer boats.

Mr. MacNICOL: If I might interject, it would be more helpful to the committee if they knew in each case, assuming the information is available for the public, what aeroplanes the minister is referring to. For instance, Canada Car and Foundry company; is the plane a Hurricane, or what?

Mr. HOWE: A Hawker-Hurricane, yes; and the other is a Northrop Delta. The first contract was for four of those, which were duly delivered. The second contract was for two Stranraer flying boats, which have been delivered. There was another contract for four Deltas, which were duly delivered; also a contract for three Stranraer flying boats, and another for nine Deltas, all of which were delivered. Next, a contract for six Stranraer boats, three of which have been delivered. A contract for another twelve Stranraer boats, which are not delivered; and since then a contract for another eighteen Stranraer boats.

The de Havilland Aircraft Company of Canada, Limited, have had contracts of $8,068,000. They have delivered to this time finished planes in the amount of $2,028,000, and have outstanding $6,040,000. All these planes are Tiger Moths, and the company is well ahead of schedule. I cannot state, without doing some addition, exactly how many they have delivered, but substantially the number is about 350 to 400, and they have a large number to deliver.

Fairchild, manufacturing the Bristol Bolingbroke, have contracts totalling $12,150,000, on which they have delivered in the amount of $2,692,000. They have further deliveries to make of $9,457,000. I might add that this company have been given an open order for planes up to the end of 1942, with the understanding that they will advise us six months ahead when additional firm orders are required, and that they will be authorized to buy equipment at that time. To date, they have delivered nineteen aircraft, and it is stated in this telegram, February 24th, aircraft to be delivered on March 1st, and at the rate of fifteen per month thereafter. That, I believe, is the latest information on delivery from that plant—fifteen per month.

Fleet company had orders in the amount of $11,165,000. They have delivered to the amount of $3,292,000 and have outstanding orders of $7,872,000. They are making two types of planes. One is the Fleet primary trainer, "Fleet Finch" as it is called, and deliveries of that are substantially up to date. The order, I believe, was for 404, and practically all have been delivered. Fleet undertook some time last June to build an advanced trainer called the Fleet 60. The trainer at that time had been fully designed and fully test flown, and delivery was to be made beginning November, 1940. The first plane is yet to be delivered, but I am told that the manufacturing is well in hand and that deliveries will start early in March. But there is a case in point, where a firm which started with a plane that had been designed and test flown was three months late in its initial delivery. I may say that that is our experience, that we have never had an initial delivery at the time that was promised by the industry or by the time we thought we reasonably could expect to have it.

Mr. HANSON (York-Sunbury): The minister wants to be fair to these industries, I suppose. In the case of delays such as that, would he indicate whether there were changes in design, difficulties in getting the drawings of the new designs?—because I am told that in most cases that has been the cause of the delay.

Mr. HOWE: In this case it was a plane designed by the Fleet Company of Canada itself, and everything has been under the control of the Fleet company. I know of no such cause of delay in this case. But of course, on planes of British design, where the designs have come from England, there have been endless delays and great trouble on that account.

Mr. HANSON (York-Sunbury): That was one of the causes of the delay with regard to the Avro Anson?

Mr. HOWE: Yes, it has been a very serious cause. I will discuss that one separately; it has had sufficient publicity to deserve it.

National Steel Car has orders up to the present time of $19,868,000. They have delivered up to date $3,965,000, and have orders outstanding of $15,902,000.

Mr. JACKMAN: That includes the British orders?

Mr. HOWE: Yes. These are largely Canadian orders. There is a British order in there of 150 Lysanders.

Mr. JACKMAN: There is a pre-war order, I take it.

Mr. HOWE: Yes.

Mr. JACKMAN: Would the minister let us know exactly what he means when he says that "planes" or "aircraft" are delivered? Does he mean the fuselages with the wings? In some cases orders would also include the engine and the instrument board and other accessories which are vital to it. Could he be more exact in the terminology?

Mr. HOWE: I mean by "aircraft" delivered that they are delivered as they are ordered to be delivered. If they are ordered with engines they are delivered with engines; if they are ordered without engines they are delivered without engines. Generally speaking, if a plane is built for British account it is built without the engine. Obviously if it uses a British engine it would be foolish to ship the British engine over to this side for installation and then back to England. If it is ordered for Canadian delivery, of course it is delivered with the engine. That is also true of the training craft.

Mr. NICHOLSON: On page 922 of *Hansard* the minister stated "The first plane has been flown but it has not been delivered." Would the minister please advise the committee just what parts of the plane were made in Canada?

Mr. HOWE: If the hon. member will permit me, I will give complete information on that when I come to the Avro Anson.

One of the attacks which has been frequently made on the department is that National Steel Car corporation cannot work to capacity because it has no orders. They say National Steel Car are using only half the plant, and they feel badly about it.

Mr. HANSON (York-Sunbury): Who made that charge? I never did.

Mr. HOWE: It has not been made in this house but it has been made in editorial comment and in articles, particularly in the *Financial Post*, that only half the capacity of the National Steel Car plant was being used.

With $19,000,000 of orders, many of them outstanding a long time, nothing being very recent, I do not think there is room for complaint. I will admit that we called upon them to do a good deal of odds and ends, assembling planes built in the United States and building components; nevertheless the output of finished planes has been very disappointing and there is no foundation for the charge that they have not been given work to keep their facilities fully occupied. The orders amounted to $19,800,000 and the finished products represent only $3,900,000. Therefore the charge that there is not sufficient work there hardly stands up.

Mr. JACKMAN: I presume the minister will tell us of the difficulties in some of these plants. I hear rumours that in the early days National Steel Car had to work under more severe labour regulations than the other aircraft plants. Is it the minister's intention to discuss these complaints now or later?

Mr. HOWE: I shall be glad to answer all the questions I can, but it is news to me that the labour conditions in that plant are different from the conditions in others. I am sure it is not true.

Mr. JACKMAN: I am not saying now; but in the early stages the limitation of hours was greater in the National Steel Car plant than in other plants, with the result that National Steel Car lost a great many of their skilled workers to the other aircraft companies.

Mr. HOWE: I should like to carry on without interruptions, if I may. We are in committee and questions can be answered later.

Mr. HANSON (York-Sunbury): I appreciate the minister's desire to proceed without interruption, and I will not be a sinner in this respect. The charge made with respect to the National Steel Car and others was not confined entirely to the *Financial Post*. Does not the same thing appear in the Winnipeg *Free Press*?

Mr. HOWE: Yes.

Mr. HANSON (York-Sunbury): Well, let us name them all.

Mr. HOWE: I should be glad to name them all if I knew them all, but they come so thick and fast and I have not my catalogue with me.

Mr. HANSON (York-Sunbury): You have one catalogue with you.

Mr. HOWE: Next we come to Noorduyn Aviation. This firm was started on the training programme and it is referred to in Mac-Millan's report as very efficiently operated. I am sure it is. They have contracts for about 45 Norsemen, planes used in training and transport work, and 210 Harvard trainers. That is a standard single engine advanced trainer.

Mr. HANSON (York-Sunbury): That is an intermediate trainer.

Mr. HOWE: It is an advanced trainer.

Mr. HANSON (York-Sunbury): They call it an intermediate trainer.

Mr. HOWE: Perhaps so, but it is supposed to be the most advanced single engine trainer. We call it advanced, but that does not matter. Here again we have a company that has been working very efficiently since their first contract. The first Harvard contract is dated December, 1940, but the actual arrangements were made in May, 1940. It is the first of the advanced trainer contracts and they expect to be in production on Harvards by November. The first Harvard has been delivered in the last few weeks.

Mr. HANSON (York-Sunbury): That contract was not given until after June.

Mr. HOWE: No, it was before June. We always anticipated Canadian production of a certain number of Harvards. We bought some in the United States and some here for British account.

Mr. HANSON (York-Sunbury): I understand they were trying to get contracts for two years.

Mr. HOWE: They got their first real chance on Harvard production. They were chosen as exclusive contractor for Harvards and they have an efficient operation. They are coming into production and we expect that they will do well.

That covers the manufacturing field. I shall be glad to answer questions at another time, but just now I wish to discuss the much maligned Anson programme, the history of which is this. As hon. members know, it was never contemplated, when the air training programme was drawn up, that Canada would provide any advanced trainer aeroplanes. The expense of the plan was to be borne largely by Canada, with some help from Australia and New Zealand, and the British contribution was to consist in the furnishing of all aircraft needed in training, with the exception of primary trainers—that is, the Fleet Finch and the de Havilland Moth. Therefore in the early stages no plans had been made for providing any intermediate or advanced aircraft in Canada. Britain specified

that the payment would be in kind and that such aircraft would be shipped to Canada, the only exception being in the case of the Harvard trainer. Britain had no exact equivalent of that trainer and therefore purchased some 600 aeroplanes in the United States for shipment to Canada to fulfil their obligation, arranging for Canadian production of 210 planes of the same type in Canada. However, Canada's responsibility in the matter of planes was confined entirely to Fleet Finch primary trainers and de Havilland Moth primary trainers. Orders were duly placed for these trainers and they have come forward on schedule. These trainers were well within the capabilities of these two firms and there has been no delay in delivery.

After the fall of France the situation changed entirely. We were notified out of the blue that for two months at least Britain could not ship any trainer planes to Canada and that at the end of two months she would consider whether it would then be possible to ship trainer planes to this country. That threw upon the department of munitions the responsibility for suddenly purchasing planes sufficient to carry on the work of the joint air training plan. The first step was to protect ourselves on engines. I went to the United States immediately, the day after the cable arrived, and I was able to purchase for Canada complete production of one United States engine factory, which undertook to enlarge its facilities to produce engines to meet the schedule that we had to provide in order to pick up the air training plan and safeguard against complete failure. These engines are being delivered on schedule. They are about even on schedule now, and that purchase really did more to save the situation than anything done at that time.

Mr. HANSON (York-Sunbury): That is the Jacobs engine?

Mr. HOWE: Yes. We have under contract about 5,000 of these and every one will be required. Then as a temporary measure we bought some second-hand twin-engine planes in the United States. We bought anything we could buy that was serviceable, and we tried to buy it at a fair price and bring it into Canada, to tide over the immediate situation.

We then began looking to the long range situation. We were able to arrange production for a certain number of aeroplanes in the United States to tide us over until we could bring in Canadian production. We looked at the twin-engine trainer situation and decided that we could not do better than to use the Anson plane as a twin-engine trainer, with the understanding that it must be redesigned to fit Canadian construction methods if we hoped to get any production whatever, and having in mind the fact that the air force asked for certain modifications of the plane before it was produced in Canada.

At the same time, as I have said, we arranged for the production of the Fleet 60, which was of Canadian design, which had been test flown in Canada at that time, and which we hoped to have in production in November. We also did what we could in Canada to step up production of the Harvard plane, and to advance delivery of the first planes on that order. We provided for extension of the plant, and other facilities which we hoped would have that effect.

Our main task, however, was to provide 1,500 Anson trainers, and provide them in time, so that the temporary situation we had worked out in connection with the delivery of United States planes would bridge the gap, and as a result we would have no break in the air training programme. At that time we were faced with the fact that the aircraft industry in Canada, a much smaller industry than it is to-day, were fully engaged with pressing work of their own. De Havilland at that time was going full-out in the production of Moth planes, which were badly needed. Fleet was going full-out in the production of primary trainers. Both these plane companies were working on the largest orders in their history. Other plants were not at that time organized to a point where we could go to them and say, "We want you to arrange for the quick production of 1,500 Avro-Anson planes.

We studied the situation very carefully at that time. Mr. Sanderson was then in charge of aircraft production for the Department of Munitions and Supply, and Mr. Bell had just been brought into the department. After very careful examination, and on their recommendation we decided that the only practical way of organizing that huge production in Canada was to form a wholly government-owned company which would take the responsibility for the redesign of the aircraft, which would apportion construction of the planes among the industry—going outside the usual aircraft companies, because they at that time were loaded up—and which could break new ground in bringing in additional capacity in the industry to produce the planes.

The result was that a company with headquarters at Montreal was formed. The first president was Mr. Ralph Bell. Associated with him as directors were Sydney Dawes, president and managing director of the Atlas Construction Company; Blair Gordon, managing director of Dominion Textiles Company and other companies; Russell Smith, secretary-

treasurer of Canadian Industries Limited; Miller Hyde, of the firm of MacDougall, MacFarlane, lawyers; Allen Aiken, director of Price Brothers, with the president of the Aircraft Construction Association, itself, as general manager.

Mr. MacNICOL: What is the name of the company about which the minister is speaking?

Mr. HANSON (York-Sunbury): Federal Aircraft.

Mr. HOWE: I have a very bad memory for names. I should remember that man's name, because I have had enough dealings with him.

Mr. HANSON (York-Sunbury): If the minister cannot remember, it is all right.

Mr. HOWE: I am talking about Federal Aircraft.

Mr. HANSON (York-Sunbury): The first general manager of Federal Aircraft.

Mr. HOWE: Organization proceeded. It was soon obvious that Mr. Bell could not act as president of the Federal company in Montreal, and as director of aircraft production in Ottawa. With that in mind, I offered him a choice of one position or the other, and he chose to stay on as director general of aircraft production in Ottawa. His place in Federal Aircraft was filled by Mr. Ray Lawson of London, who had an excellent record in similar types of manufacturing.

Mr. HANSON (York-Sunbury): What types of manufacturing? He was a printer, a lithographer; that is what he was.

Mr. HOWE: Perhaps so.

Mr. MacNICOL: London, England, or London, Ontario?

Mr. HOWE: He was director of an imposing list of manufacturing companies. In fact I notice my hon. friend opposite (Mr. Rowe) chose him as a director of his company at the head of the lakes. He is also a director of the Royal bank. I assume the hon. member (Mr. Rowe) chose him for his manufacturing ability.

Mr. HANSON (York-Sunbury): That is a good recommendation, but it does not say he could make aircraft.

Mr. HOWE: Perhaps not; but none of these men could make aircraft, and there were very few men in Canada who could.

Mr. HANSON (York-Sunbury): I think that is correct.

Mr. HOWE: That is what one has to contend with when dealing with a mushroom industry.

[Mr. Howe.]

Mr. ROWE (Dufferin-Simcoe): An efficient and reputable character.

Mr. HOWE: I now remember that the name of the first general manager was Mr. R. J. Moffett. The first promise of delivery we obtained from this company was given in the middle of November. I might say that the company was formed on July 19, 1940.

Mr. HANSON (York-Sunbury): Before the minister proceeds, would he please make it clear that Federal Aircraft Limited, itself, was not a manufacturing company?

Mr. HOWE: I will explain that.

Mr. HANSON (York-Sunbury): They were not to make planes at all.

Mr. HOWE: I will explain that.

Mr. HANSON (York-Sunbury): They were to help forward the effort, and to supply certain materials and parts—very important parts. Let us have that whole picture so that the public will know it.

Mr. HOWE: I am coming to that, but I am trying to get the company formed, first.

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): There is nothing to laugh at.

Mr. HOWE: According to my notes, the company was formed on July 19, 1940. The first promise of delivery—and I would ask hon. members to remember this—was made in the middle of November, 1940. I was pressing for some indication as to when we could expect deliveries to begin. At that time Federal advised the minister, "The first Anson will fly in March, and substantial production by June or July."

Mr. HANSON (York-Sunbury): Would the minister say there is a contract between the company and the department?

Mr. HOWE: That is right.

Mr. HANSON (York-Sunbury): Let us have a consecutive statement.

The CHAIRMAN: I would point out to the committee that the minister has the floor and has already requested that there be no interruptions. While he has the floor, no one may interrupt him without his permission.

Mr. HANSON (York-Sunbury): All right.

The CHAIRMAN: The minister has requested that he be allowed to make his statement.

Mr. HANSON (York-Sunbury): Very well.

Mr. HOWE: This was a wholly owned government company. Its purpose was to take

from the government the responsibility of placing orders for aircraft production, and placing orders for assembly. In other words, it was just to mobilize the industry to produce Anson aircraft planes. That is the intention of it, although its first job was to redesign the Anson plane.

I think its first and most serious mistake was that the magnitude of that job was underestimated. It was only in the later period when that was discovered, and when the general managership was put in other hands, that we finally got the design to a place where the subcontractors could go full-out on certain parts of the operation.

My hon. friend said this company was not set up to manufacture aeroplanes. That is true, but strong representations were made to me by the president and his board of directors, on the recommendation and I think on the insistence of the then general manager, that Federal should be permitted to run a small manufacturing operation of its own in the city of Montreal in connection with the operations of the company. The reasons advanced to me were that in aircraft design it was necessary to be able to follow the designing work with the actual manufacture, and I was advised that this could not be done as well in another plant. I was also advised that it was desirable to have the company itself build its first flying mock-up, as it is called, of the final craft, complete with engine and propellor, so that its performance could be tested. I agreed to that somewhat reluctantly, because I was very anxious that the government itself should keep away from manufacturing problems. I brought the entire board of directors to Ottawa at the time and tried to convince them that they could accomplish the desired results in another way. However, they were insistent, and to-day they have a small manufacturing operation of their own, building Anson fuselages in Montreal. This small operation is carried on in rented premises and is not important in regard to the entire programme.

The company has carried on, and a great number of subcontracts have been awarded. Direct subcontracts were let to Boeing of Vancouver, MacDonald Brothers of Winnipeg, Canada Car and Foundry of Montreal and Amherst, Cockshutt Plow of Brantford, Massey Harris of Toronto, de Havilland of Toronto, and Ottawa Car and Aircraft of Ottawa. Arising out of these contracts there is a vast list of component manufacturers, as naturally there always are in the aircraft industry. I have here perhaps twenty or thirty closely typed sheets of names of manufacturers producing components.

The work taken on by this company was of great magnitude. I think it is fair comment to say that in the early stages the directors were a bit at sea. They had to rely pretty well on Mr. Moffett, the general manager, who, as I have said, was head of the aircraft industry at that time, and whom I had always heard mentioned as the number one aeroplane designer in Canada. He had been formerly employed by Vickers, and I think was responsible for bringing Vickers into the manufacture of the Stranraer flying boats and the Delta. I do not wish to cast any aspersions or in any way reflect on Mr. Moffett's work, because I know he gave the job every ounce of energy he possessed; but it turned out, as I think Mr. Moffett would agree, as it often does, that while he was a first class designer he was not a good executive, and perhaps the directors did not realize this as soon as they should. However, he was released and the change was made. The directors went to the Canadian Pacific Railway and secured the full-time services of its chief mechanical engineer, Mr. Newman. I know little about Mr. Newman's designing ability but I will say that he is one of the best executives I have seen in action since I have been connected with this particular work. Mr. Newman has pulled this affair together in what I consider a marvellous way, and to-day I believe the Anson programme is well on its way.

As I have said, both within and without this house people have blamed the non-delivery of Ansons for the fact that our air training programme is somewhat short of twin-engine trainers. In our most optimistic moments we never expected that we would get any substantial production of Avro-Anson planes until March; and in our calculations endeavouring to cover the field we had never dreamed that we would get Canadian-built Avro-Ansons until that time. The first promise of the company, made as I say in November, after they had a chance to look over the job, was that they would fly a plane in March and make substantial deliveries in June and July. I have every reason to believe that this promise will be carried out. That was also Mr. MacMillan's view. He said it might be a little later than July, but that if we took a few steps which he recommended they should do better than that. Those steps have been taken, and I think we will do much better; but there again that is only my own statement. I do not wish to bind the company to anything more than the promise they made in November, 1940, that there would be substantial production of Avro-Ansons in June and July. A Canadian built Avro-Anson has flown, with a Jacobs engine and a Canadian-built propellor.

Mr. HANSON (York-Sunbury): That was just a plane assembled here, was it not?

Mr. HOWE: There were certain English components in it; it was part English and part Canadian. The flight was made to try out certain components, particularly the Jacobs engine and the Canadian propellor. The flight was eminently satisfactory, and we have no doubt that this programme will pull itself together and that we will get aeroplanes about according to our expectations of last November.

We should place responsibility where responsibility is due. At various stages of our experience with aircraft we thought we knew the demand and made our plans accordingly. When the air training agreement was entered into in December, 1939, we thought we knew the requirements of Canadian production in connection with that programme, and we proceeded to contract for them. In June we had new obligations placed upon us, and we thought we understood the extent of those new obligations. We thought then we had the schedule under which the various schools would open, and we thought we knew when planes would be required from this department. Well, as hon. gentlemen know, due to the energetic prosecution of that plan by my colleague the Minister of National Defence for Air the programme has been greatly speeded up; new schools have been brought into operation six months ahead of schedule. This has meant, of course, that they require planes six months sooner than we had expected, and I may admit that we have had our troubles in keeping up with that advanced schedule. We have never complained. I hope I shall always be the last to attempt to slow down any of my colleagues in getting on with this war. I never say it cannot be done; I always say, "We will give it a try," and that was what I said to my colleague when he consulted me about speeding up his scheme. I said, "We will do our best. I do not think it will be too bad. We may not give you all the planes, but I think we can keep you going," and I think we have done that up to this time.

A short time ago the minister for air said he was on the ragged edge for twin engine trainers. So he is, but it will not be long until we will have Canadian production in ample volume, so that will be a temporary condition. I suppose for the next three or four months he will be rather short of twin engine trainers. I do not think he will ever be very short of single engine trainers, and if it is necessary to do so it is not a serious matter temporarily to change over some of the schools from twin engine trainers to single engine trainers. Nevertheless, that condition exists. I am the first to admit it, but I should like hon. members to be fair enough to see that the problem has changed from time to time, as war problems always do and always will. War is an abnormal condition; the tide of war changes from day to day, and our service ministers must take that into account.

There we have the Anson programme as it stands to-day. I think that is a reasonably complete statement on it. At a later stage in the committee I shall be glad to answer any specific questions. I wonder if, in the light of what I have said, my hon. friend will say that his press release is a fair statement of the position? This is an extraordinary statement which appeared in the Montreal *Star* and which I understand is a reprint of the press release of the leader of the opposition (Mr. Hanson). I do not know on just what date it appeared, but it was the day following the statement in the house. The report reads:

> At the request of the minister on or about the 7th of January the manufacturers submitted to the acting minister an unanimous recommendation as to what should be done. I have not been able to get a copy of this report, but I understand it urged:

The four recommendations are then set out. Then the exact wording of the letter is quoted. This indicates that my hon. friend did not prepare this statement himself.

Mr. HANSON (York-Sunbury): There is no quotation of my remark.

Mr. HOWE: It urged:

> 1. That Federal Aircraft, Limited, be dissolved;
>
> 2. That de Havilland Aircraft of Canada be asked to manage or administer, for the Department of Munitions and Supply, the Avro-Anson project, taking over the personnel, materials, records, etc., of Federal Aircraft;
>
> 3. That de Havilland Aircraft assume responsibility for engineering and procurement of materials;
>
> 4. That the Department of Munitions and Supply take over the contractual and financial obligations and the financial functions of Federal Aircraft.

Let me read the letter to see if my hon. friend sees any difference.

Mr. HANSON (York-Sunbury): I believe the minister wants to be fair. I do not see any sign that I was quoting from an original copy, and I did not do it. What I said was this:

> At the request of the minister, on or about the 7th of January, the manufacturers submitted to the acting minister an unanimous recommendation as to what should be done. I have not been able to get a copy of this report, but I understand that it urged:

I then epitomized them.

Mr. HOWE: This is what the letter said. We will see how much my hon. friend epitomized them. The letter reads:

Following the request of the Acting Minister of Munitions and Supply for the opinion of the undersigned as to how the Anson project can be expedited, the following unanimous recommendations are submitted:

1. Federal Aircraft Limited to be dissolved;

2. de Havilland to be asked to manage (or administer) for the department, the Anson project, taking over the personnel, material, records, et cetera, of Federal Aircraft Limited forthwith;

3. de Havilland to assume responsibility for engineering and procurement of material;

4. These functions of de Havilland not to include the taking over of Federal Aircraft Limited's financial obligations (other than for material) or financial functions or contractual obligations; all of which the department can handle best.

5. Contracts for components, etc., made henceforward to be with the department.

I do not see any difference in the language.

Mr. HANSON (York-Sunbury): Number five is not in mine, and the others are exactly the same.

Mr. HOWE: My hon. friend can epitomize by leaving out number five.

Mr. HANSON (York-Sunbury): I did not have it in.

Mr. HOWE: I know my hon. friend did not have it.

Mr. HANSON (York-Sunbury): I am content to stand on my statement. I should like to have the letter produced.

Mr. HOWE: I propose to table all three letters.

Mr. MacNICOL: Has the minister the report or statement which was presented to the acting minister?

Mr. HOWE: I have just tabled it.

Mr. MacNICOL: And which is quoted in the January 7 issue of the *Financial Post*. Does the minister say that the statement of January 7 is wrong?

Mr. HOWE: I say that it is absolutely correct, word for word. I continue with the report from the Montreal *Star:*

I understand the matter was given attention by the chairman of the war-time requirements board, and a leading executive in aircraft production in the United States was asked to come to Canada to investigate the situation and to give his advice, and I am informed that his views were in agreement with those of the Canadian manufacturers and confirmed the hopelessness of the Federal Aircraft situation in its present state, and that, on the basis of this report, the chairman of the board recommended to the government that Federal Aircraft be abolished.

My hon. friend admits that that is a very slender foundation for that, apart from the *Financial Post*.

Mr. HANSON (York-Sunbury): No, I have the best authority for that. I have it from one of the executives.

Mr. HOWE: Who was it?

Mr. HANSON (York-Sunbury): That is my business. I am not going to divulge his name.

Mr. HOWE: Does my hon. friend mean one of the three men who have been named, Mr. MacMillan, Mr. Carmichael or Mr. Breech?

Mr. HANSON (York-Sunbury): I did not name anyone.

Mr. HOWE: Surely I am entitled to that information. He is an executive of what?

Mr. HANSON (York-Sunbury): One of the executives of the aeroplane manufacturers.

Mr. HOWE: He would not know, unfortunately.

Mr. HANSON (York-Sunbury): He would if he talked to these people.

Mr. HOWE: My hon. friend got it in a rather devious way, at least.

Mr. HANSON (York-Sunbury): I object to that; I got it in a perfectly honourable way.

Mr. HOWE: My hon. friend got it second or third hand at least.

Mr. HANSON (York-Sunbury): I could not see Mr. MacMillan. If he had been here I would have seen him.

Mr. HOWE: Does my hon. friend think he would have told him?

Mr. HANSON (York-Sunbury): I think he would have been frank and honourable with me.

Mr. HOWE: From the inception of the Department of Munitions and Supply the executives and employees of that department have taken an oath of secrecy that they will not divulge the business of the department to others. I hope and believe that Mr. MacMillan would not have violated his oath of secrecy. The report goes on to say:

He went on to make a forecast of production which is considered by aircraft manufacturers to be a little short of fantastic.

The forecast that I made was the forecast given me in November and it was confirmed by Mr. MacMillan in his report, to which reference is made. The firms were requested by me to answer three questions:

1. Will the taking of the steps you recommended, in your opinion, accelerate the production of Ansons in Canada, and, if so, to what extent?

2. On what facts do you base your opinions in this regard?

3. What guarantee can you and your group give as to a date when substantial deliveries of Anson planes will be made, provided your recommendations are adopted?

That is true. That is exactly the letter I wrote. Then my hon. friend was advised of the joint reply.

I wonder if it is good business to publish reports of that kind based upon that type of information? What has been the effect of the report? It has seriously disturbed public opinion across Canada in connection with the whole aircraft industry. Statements have been made that our aircraft industry is bogged down, that we are making no contribution whatever. I do not think those reports are justified. What effect has it had upon the seven gentlemen who are giving their time without recompense as president and directors of Federal Aircraft Limited? What effect has it had upon Mr. Newman, who left his job with the Canadian Pacific Railway to give his full time to this work as general manager? These gentlemen tell me that they find it very difficult to hold their staff together. The members of the staff were quite certain that they would soon be out of a job and a good many resignations were handed in by key men.

What has been the effect of this upon Mr. MacMillan? Let us talk about Mr. MacMillan, since his name has been mentioned a good deal. Before he left Ottawa he remarked to me that he was being sabotaged, and I agreed with him. The story was put out that he had quarrelled with me when as a matter of fact there has been no quarrel. At any time when we were both in Ottawa Mr. MacMillan has been in my office every day since my return, and we have discussed many problems. He has made certain recommendations all of which I think have been accepted in whole or in part. He went to Vancouver to attend the marriage of his daughter and I understand he is now on his way back to Ottawa. But suppose the report had been true; suppose we had had a quarrel. Mr. MacMillan did not resign, and I am the head of the department, and as long as I have the responsibility I am going to assume the authority.

Mr. HANSON (York-Sunbury): Will the minister allow me a question?

Some hon. MEMBERS: Order.

Mr. HANSON (York-Sunbury): I will ask it later.

[Mr. Howe.]

Mr. HOWE: Does anyone suggest that a senior executive can quarrel with me and still continue to work with the department? I set the policy of the department, and if any executive does not follow it, he has no option but to resign. And what has been said puts Mr. MacMillan in the position of having quarreled with me, of having disagreed with my policies perhaps entirely, and still carrying on his work! No such thing ever happened, but from all the press statements could any other conclusion have been drawn?

Let us see what else was said. I have seen one or two typewritten copies of what purported to be intimate conversations between Mr. MacMillan and one of his friends. One of these copies went into two or three newspaper offices and finally was the foundation of an editorial in the *Globe and Mail*. I do not believe these conversations ever took place. The executive of a department takes an oath of secrecy about the affairs of the department. That has been done since the beginning of the war. It was made obligatory by order in council, a copy of which I have in my hand. We have forty or fifty executives of the class of Mr. MacMillan—heads of large corporations—all working anonymously in the department, all under an oath of secrecy and all carrying out their oath. What position does it put Mr. MacMillan in with his fellow executives in the department when he is headlined in the newspapers about talking to this man and that man, and about secret memos of conversations? Does it improve his position in the department or with the people of Canada? I do not think it does. If he were the kind of man he is being represented to be I do not think any member would suggest that he should stay in the department. And I want him to stay in the department because I am sure he is not that kind of man.

I could go on and indicate other methods of sabotage that have been used on Mr. MacMillan, but I do not think it is necessary. Anyone who reads these articles on Mr. MacMillan will agree that they do not enhance his power to be of use to the Dominion of Canada in the present circumstances.

The history of Mr. MacMillan is this. I asked him to come to Ottawa last June to take a very responsible job in the Department of Munitions. He took on the job of timber controller. Within a week or two after he took hold, we were faced with an acute situation with respect to timber and it required a good deal of organizing to produce the necessary timber. Mr. MacMillan did that job splendidly, and I have had occasion more than once, speaking in this house, to comment on the work he did as timber controller to bring about our objective.

Later our statistics branch, which is charged with the duty of looking ahead with respect to our war production so that it can advise us of possible shortages of material, labour supply and all the problems that must be envisioned to plan our course intelligently, decided that their work should be widened by the establishment of a committee to take in every department of government which had information which they thought was necessary to arrive at their conclusions. The result was that the war-time requirements board was formed in my department, with Mr. MacMillan as chairman, reporting to myself, and comprising representatives of the Bank of Canada, the Department of Finance, the Department of Labour and the three service departments. After he accepted the chairmanship Mr. MacMillan decided that he wanted to make it a full-time job; he resigned as timber controller, and has been carrying on the work of the board ever since.

There is hardly a paper published which has not stated that Mr. MacMillan said this or said that about the work of the board. With Mr. MacMillan on that board are eight or nine responsible senior civil servants. Does anyone think it improves Mr. MacMillan's relations with his fellow members on that board when this sort of thing gets into the newspapers before the board has had a chance to report or even to find out what the chairman is doing in certain directions? I think not. I think the job of sabotaging Mr. MacMillan has been fairly successfully done, but I hope he is able and big enough, and I think he is, to live it down and to continue to carry on the very useful work he is doing for this government and for Canada.

Mr. HANSON (York-Sunbury): Will the minister now allow me a question?

Mr. HOWE: Yes, certainly.

Mr. HANSON (York-Sunbury): Does he suggest that at any time I or any other hon. member attempted to sabotage Mr. MacMillan in any way whatsoever?

Mr. HOWE: My hon. friend in his newspaper statement said that he understands that Mr. MacMillan—at all events in the house my hon. friend used Mr. MacMillan's name.

Mr. HANSON (York-Sunbury): Yes, I have, but not by the widest stretch of the imagination was there any suggestion of sabotage.

Mr. HOWE: But what is the implication? The hon. member referred to a secret report that Mr. MacMillan made as chairman of the war-time requirements board to the war committee of the cabinet and told what the contents of the report were. Is that a reflection on Mr. MacMillan or not, that he would put in a secret report the contents of which would be on the street before we had seen it? I would say that that constitutes a reflection on Mr. MacMillan.

Mr. HANSON (York-Sunbury): I do not think so for a minute. Perhaps it is a reflection on somebody else.

Mr. HOWE: The newspapers had it.

Mr. HANSON (York-Sunbury): They had it long before I had it.

Mr. HOWE: Discussing the question of sabotage, there have been vicious editorials in the papers based not on fact but on hearsay, street rumours, private conversations with somebody in the government. I want to say that every reporter in Ottawa has access to my office. I am willing to hold a press conference any day that a sufficient number of newspaper men would like to meet me. I do not think the press gallery will accuse me of holding back information at press conferences so long as it was information that I could furnish without giving away secrets that were not mine. I always talk freely at press conferences and to reporters who ask me about specific problems. But there has grown up quite a feeling in the press that any rumour about the department of munitions is worthy of publication. The leader in that has been the *Financial Post*. The *Financial Post*, not satisfied with its own circulation, is now purchasing space in other newspapers to print statements which I think I have shown to-day to be absolutely false. It was the *Financial Post* that attempted to stop Bren gun manufacture in this country before the war. I have no comment to make on what the *Financial Post* prints in its own paper, but when it pays money to buy space in other newspapers, as I understand it is doing, to make untrue and damaging statements against the Department of Munitions and Supply, I think I am right in suggesting that that is not being done for philanthropy.

I make this charge, and I do it after careful consideration with a full knowledge of the facts of which I speak: the number one saboteur in Canada since the beginning of this war is the *Financial Post* of Toronto.

I have taken up a good deal of the time of the committee. I have other material here, but having spoken for about two and a half hours I think perhaps I have done my day's work. I thank hon. members for the patient hearing they have given me. Before sitting down may I say that I shall be glad to amplify any statement I have made if any hon. member would like me to do so.

Mr. HANSON (York-Sunbury): First, will the minister be good enough to table the letters to which he referred and which he promised he would table? Secondly, I should like to say this, that if the minister had been as frank in days gone by with the Canadian public as apparently he has been to-day—and I do not at the moment at all question his frankness; for I do not know the facts—I am sure that a very large part of the newspaper campaign about which he complains might have been obviated.

Mr. MACKENZIE KING: May I say to my hon. friend that the minister was in England when this campaign started—stabbing him behind his back when he was serving his country on a mission overseas.

Mr. HANSON (York-Sunbury): I do not know when the campaign was started.

Mr. MACKENZIE KING: It was started when the minister was in England. The purpose was to stab him behind his back, when he was absent from the country.

Mr. HANSON (York-Sunbury): Why lecture me about it? I didn't start it.

Mr. MACKENZIE KING: You referred to the campaign.

Mr. HANSON (York-Sunbury): Certainly I referred to the campaign. It was as a result—

Mr. MACKENZIE KING: I am not lecturing my hon. friend. I am stating the facts about the campaign against the minister.

Mr. HANSON (York-Sunbury): The Prime Minister can make his speech later. If we are going to have the rules applied to one, let us have them applied to all. I was making what I thought was a mild observation, that if the minister had been as frank in days gone by, in respect to the question of production, as apparently he has been to-day—and I am not questioning his frankness to-day because I do not know whether he has told us the whole truth or not; time alone will tell; I am accepting his statement as it is—a great many of the things of which he has complained to-day might have been obviated. That is just a trite observation.

I do not intend, of course, to follow the minister with any degree of precision in the lengthy statement he has made. That would be impossible, especially for one who, like myself, has no special knowledge of the aircraft industry. That is speaking frankly. I was pleased to see that in the opening part of his remarks the minister enumerated certain spheres of production in his department which are functioning well. That ought to be true, after eighteen months of war effort. Surely by that time, after an expenditure of hundreds of millions of dollars and the assembling in Ottawa of some of the best executives in the country, that ought to be true.

May I pause here to say that never at any time, at any place, in any connection have the members of this party, or myself, or anybody connected with us, thrown the slightest aspersion upon the dollar-a-year men and other high executives whom this ministry has brought to Ottawa. On the other hand, I have complimented the minister upon the character of some of the men he had brought into the department whom I knew, and in particular this very gentleman, Mr. Ralph P. Bell, whom he made the first president of Federal Aircraft Limited. I think I know him as well as the minister does, and I have been more than anxious that his reputation should not suffer through his connection with Federal Aircraft. I will not go any further than that. The minister knows that.

Mr. HOWE: Yes. The hon. member said so in the past in the house.

Mr. HANSON (York-Sunbury): Yes, I certainly did, and I said privately to the minister that I was very anxious that Mr. Bell should be given a chance to do a job.

With respect to these gentlemen from one end of Canada to the other who have left their businesses and have come to Ottawa to give their time and their war effort to the government, I have taken the same position whenever an attack has been made upon them. Frankly, there has been but little attack made upon them in this house. I am glad to note that, with one or two exceptions, all confined to followers of the ministry of the day, there has not been the slightest attack on the character, the ability, or the operations of these men. My hon. friend from Essex East nods towards the far corner. I do not recall any attack having been made upon any of these gentlemen by any hon. member in that corner.

I am glad to know that neither by word, by innuendo or by any other method has there been the slightest attack made upon any of these gentlemen by any members of our party. On the contrary, I have gone out of my way to call the attention of members of the ministry, in confidence, from time to time as the occasion arose, to attacks which have been made by members supporting the government upon some of these high executives who have come in here. We had an explosion last week. We do not need to recall it. On the order paper to-day, in the name of a government member, is a series of questions

relating to another man who is giving his whole time to a very important matter relating to the war effort of the government. Those questions are asked by one of the Liberal members from Toronto. I do not know all the truth of the matter, but I would say this to the members of the ministry, that when you ask a man of the standing of Mr. Cottrelle to come into the service of the government, without salary, that man's reputation should be preserved and defended against attack and calumny, because he cannot answer here.

Mr. HOWE: Right.

Mr. ILSLEY: Hear, hear.

Mr. HANSON (York-Sunbury): Therefore, no blame can attach to this party, at all events, in connection with attacks on the executives and others with whom the minister is surrounded. I suggest to him that to assert that there has been sabotage by any person in this part of the house is absolutely false, and I repel the suggestion if it is intended.

I am not constituting myself a defender of newspapers. Believe me, that is too big a job for me. If the minister is wise he will watch his step when he attacks the newspapers. My experience has been that no matter how just your cause may be, how strongly right may be on your side, or how pure your conscience, the newspapers will always have the last word. Therefore I think it is a work of supererogation to attack them.

Mr. ROWE: Never attack one unless you own one.

Mr. HANSON (York-Sunbury): Well, I don't want to get into the newspaper business any more than the government wants to get into the business of aircraft manufacturing. I have a very wholesome respect for the newspapers—

Mr. LAPOINTE (Quebec East): Because they have the last word.

Mr. HANSON (York-Sunbury): —because I have many years of experience; and I pass that philosophy on to the minister. He is, perhaps, not quite so old as I am.

Mr. HOWE: Getting on.

Mr. HANSON (York-Sunbury): He has not been in public life as long, perhaps, as I have been, but if he will take it from me, it is much better to suffer in silence than to go ahead and fight those fellows when you cannot fight on your own ground.

Now, coming down to the immediate subject matter of this debate this afternoon, it arises, I assume, quite properly out of what I thought was a harmless and innocent statement which I was endeavouring to make in this house on February 20, at the request of the hon. member for Cumberland (Mr. Black), who was greatly disturbed over the production of Avro-Anson aeroplanes as it affected his own community. That was the basis of the statement. I should much prefer that he had done it himself, and I want to assure the committee—

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): After all, I do not know why there is laughter over that. The hon. member for Cumberland is a very fine member of this house. He is an old schoolmate of mine. My association with him goes back over a period of forty-six years and there is nothing he might ask me to do, short of dishonour, which I would not attempt to do for him.

An hon. MEMBER: He would not ask you to do anything dishonourable.

Mr. HANSON (York-Sunbury): Of course not. On the theory that there had been a falling down in the production of Avro-Ansons especially by Canadian Car, if you will, and more particularly because it affects industry, labour and the well-being of the town of Amherst, which the hon. gentleman so ably represents in this house, and the air force of our country, I undertook to ask the government on February 20 certain questions which I based on a statement which I had reason to believe was true. And after the minister's analysis this afternoon I find that there is only one error of fact in the statement I made—only one. What was the statement I attempted to make on the afternoon of February 20, and which I was barred by the minister himself from making, and under the rules, to which I bow? After the first two paragraphs which I was allowed to read I was stopped. The request I made was for the purpose of asking the Minister of Munitions and Supply to make a public statement with respect to a matter of vital public importance, namely, the present unsatisfactory state of aircraft production in Canada, and particularly with respect to the alleged failure—"alleged" failure; that is a fair description—of the government wholly owned corporation, Federal Aircraft Limited, to function. That was the basis of my statement. I went on to say that I preferred to do it in this way rather than in another way. Perhaps I was wrong. Innocence will make mistakes.

Some hon. MEMBERS: Oh, oh.

Mr. HANSON (York-Sunbury): I am very innocent about the method of approach in this house. The Prime Minister laughs at that. I wish I had his astuteness in political

manoeuvres; I would be sitting there and he here. And I am paying him a high compliment indirectly.

Mr. POULIOT: The word "innocence" has several meanings.

Mr. HANSON (York-Sunbury): I went on to say:

Federal Aircraft Limited was set up by the minister as a government-owned corporation to coordinate the construction of Avro-Anson planes—

That may not be the full statement of its set-up but it was one of the primary reasons for setting up the corporation, as the minister's statement to-day will bear out.

—and it assumed certain important functions with respect to procurement and later the manufacture of certain essential parts involving an expenditure of $50,000,000.

That has not been disputed and I am assuming that the minister is in agreement. He nods his head.

But for some reason or other unknown to the public, the efforts of this corporation have not produced results.

The minister's statement to-day bears out that general statement.

Mr. HOWE: It has produced all the results expected at this stage.

Mr. HANSON (York-Sunbury): There is a difference of opinion.

Mr. HOWE: They have not produced aeroplanes but they have produced results.

Mr. HANSON (York-Sunbury): I may have one opinion and the minister another, and maybe his is better than mine. It ought to be, because he is assumed, of course, to have more knowledge than I could possibly have with regard to this matter. I will tell him this, however, that the statements which have appeared in public are based on statements made by the manufacturers themselves, and I understand they are prepared to stand by every word they said.

Mr. HOWE: That is not what they tell me.

Mr. HANSON (York-Sunbury): I am told one story, the minister tells another, and the newspapers another, but that is the information I have. Before I get through I intend to make some further observations with regard to that. Just now I am dealing with my own statement.

I am advised that around the end of the year, the acting Minister of Munitions and Supply—

The Minister of National Defence for Naval Affairs (Mr. Macdonald) was getting his feet under the table, I suppose, in the absence of the minister, and learning something about the operations of a huge department, which must have been an overpowering job for any new man to undertake.

—requested an opportunity to discuss aeroplane production problems with manufacturers interested in Anson bombers—

Is that true? I believe it is. I have never heard it denied. The minister is here and he will say whether that statement is true or false. I have no doubt it is true. The minister remains silent, and therefore—

Mr. MACDONALD (Kingston City): What is the question?

Mr. HANSON (York-Sunbury): I asked whether early in the year he did not request an opportunity to discuss aeroplane production problems with manufacturers interested in Anson bombers.

Mr. MACDONALD (Kingston City): In answer to my hon. friend's question, there was a discussion between the manufacturers of component parts of Avro-Anson bombers, on the one hand, and myself on the other. Whether I requested it or they requested it I am not sure. They came to Ottawa and requested to see me and I spent an hour or two with them.

Mr. HANSON (York-Sunbury): The substance of what I say is correct. I am not concerned whether they came to the minister or the minister went to them. Whatever the *modus operandi* may have been, the minister met them.

Mr. MACDONALD (Kingston City): Quite so.

Mr. HANSON (York-Sunbury): Yes, and they discussed aeroplane production problems at first hand over the plight of the Avro-Anson programme. My information is that this was the subject matter of the discussion and that the minister:

. . . requested the manufacturers to give him their specific suggestions as to how this situation, which was the responsibility of Federal Aircraft Limited, might be remedied.

That, I assume, is true. No sabotage about that; nothing improper in the statement with regard to that.

Mr. HOWE: I was not accusing my hon. friend of sabotage.

Mr. HANSON (York-Sunbury): I thought the minister came near it. If he did not mean it, then he shivered on the edge of it.

Mr. HOWE: I said that MacMillan said that he was being sabotaged, and I said I shared that opinion, believing that the way in which his name was being used was a form of sabotage.

Mr. HANSON (York-Sunbury): I got the inference, perhaps wrongly—and I am not very thin-skinned—that the minister was suggesting that I had sabotaged Mr. MacMillan, which of course is quite wrong, quite false. I had a good deal to do with Mr. MacMillan when he was timber controller. I want to say this to the minister, that I have not seen Mr. MacMillan personally on business since he took the position of chairman of the war-time requirements board. I have met him in the dining room at the Chateau Laurier, where we have had meals together—on more than one occasion—and where we chatted about everything. We avoided any business references, but I think if I wanted to see Mr. MacMillan he would see me.

Mr. HOWE: You suggested if you had seen him he would have told you all about it. I hope you never asked him to do that.

Mr. HANSON (York-Sunbury): In the light of what the minister has said about the question of oaths—and I had forgotten about it—I would not suggest for a minute that Mr. MacMillan would break his oath any more than I would suggest that the minister would break his. It may be I was wrong in having that impression. At all events I want to convey the impression that my relations with Mr. MacMillan were absolutely clean and above board. They always have been, and, I hope, always will be. On one occasion he was good enough to help a friend of mine in connection with a very important business transaction regarding timber. A question of United States exchange was involved. My friend is eternally grateful to Mr. MacMillan, and so am I.

But that is not the point at this time. These manufacturers—I am not sure how many there were, but I understand there were six—interviewed the acting minister at his request on or about January 7, and submitted to him a unanimous recommendation as to what should be done. I have not a copy of that report, but I was told what was in it. According to the minister's statement this afternoon I was not given the fifth item, but I was given the four items, which I put in my statement, and which the minister repeated here to-day almost verbatim.

Mr. HOWE: May I say that if my hon. friend did not have the facts he was the only one in Canada who did not. Every newspaper did.

Mr. HANSON (York-Sunbury): I give my word I did not.

Mr. HOWE: Every newspaper man has had it. It was part of the contents of a paper, signed by Richard Guthrie, a man I do not know and have not been able to trace.

Mr. HANSON (York-Sunbury): I do not know him either—never heard of him.

Mr. HOWE: Neither did I.

Mr. HANSON (York-Sunbury): But these are the four recommendations which were made to the acting minister. There was a fifth to which the minister referred, but I cannot recall what it was. This is what I understand their recommendations were:

(1) that Federal Aircraft Limited be dissolved; (2) that de Havilland Aircraft of Canada be asked to manage or administer, for the Department of Munitions and Supply, the Avro-Anson project, taking over the personnel, materials, records, et cetera, of Federal Aircraft; (3) that de Havilland Aircraft assume responsibility for engineering and procurement of materials; (4) that the Department of Munitions and Supply take over the contractual and financial obligations and the financial functions of Federal Aircraft.

That is to say, the government was to assume responsibility for its own baby. There was a fifth, but I do not recall what the minister said it was. At all events I never had the statement in black and white, and I cannot say. The minister to-day, however, admits that that is a true statement of the position.

Mr. HOWE: I said that by an odd coincidence it was in the exact language of the letter.

Mr. HANSON (York-Sunbury): This certainly was published more than once in the newspapers. Did not Mr. Grant Dexter send this to the Winnipeg *Free Press*? Was it not published there?

Mr. HOWE: I do not know.

Mr. HANSON (York-Sunbury): It was in the *Financial Post* and in quite a number of newspapers. It is a matter of common knowledge that this happened, and what the contents of the letter were. I do not know who gave it to the press; I have not the faintest idea. I have not, and I never had, a copy of it. But I was seized of the contents of it.

This document was signed by the chief executives of the six corporations under contract with Federal Aircraft to manufacture these planes. The statement goes on to set out the names of those companies, as follows: Canadian Car and Foundry, Ottawa Car and Aircraft Limited, National Steel Car Corporation, de Havilland Aircraft, Boeing Aircraft of Canada, and Massey Harris Company, Limited.

I should like to be corrected if this is not a correct list. If there are any more, I should like to know who they were. That was their recommendation to the minister. I pause here to say it is my understanding that their reason for making these recommendations was that Federal Aircraft, not-

withstanding the character of the management, had failed to arrive at its objective, and that these companies were being held up not only in the procurement of parts, but with regard to a multiplicity of things including supplies, materials and parts which Federal Aircraft was to have supplied to them.

But the biggest hurdle which had not been overcome was that of engineering data. I am told that the procuring of engineering data for planes was a very important part of the operations of Federal Aircraft, that there were more than twenty thousand blue-prints for one of these engines, and that there was great delay. I have some evidence that such is the case.

That may be excusable. As the minister has said, this was a new, mushroom enterprise in Canada. I refer to the construction of aircraft, and this type of aircraft particularly. It may have been excusable. But the delays were there, and these men were held back in the production of Avro-Anson aircraft. We were not told very fully to-day just what the causes of the delays were. It may be that personnel was not available—I do not know. That was what I was asking the minister to give to the House of Commons to-day—a factual, true statement of the whole position. That is what I asked for.

Is that an offence? Has the day arrived in Canada when a member of this house cannot rise in his place and ask the minister for information? If so, then of course we have reached the fascist state. But from the partial revelation made by the minister this afternoon, I find the government is not adhering to that policy to which it has heretofore adhered with regard to the question of production in terms of units.

Mr. HOWE: What is that?

Mr. HANSON (York-Sunbury): In respect of aircraft production the government has departed from the strictly rigid policy which has obtained heretofore of not giving to the house and to the country statements of production in terms of units. We have been deluged with statements of production in terms of dollars and cents which to the layman, I suggest, do not mean anything but taxes.

Mr. HOWE: I may say that I am quite willing to give figures for anything produced for Canada which is not on the list of the things for which we have been asked to keep production figures confidential—and most of these planes are in that position. I shall be glad, if my hon. friend wishes to ask me, to give the production figures per unit, per month, going back as far as he likes. I have them here.

Mr. HANSON (York-Sunbury): Then this debate will have been worth while. We have not had the information. We have been consistently denied it; and one of the points upon which I have dwelt on more than one occasion in this chamber has been the fear of the government to tell us what they are doing with our money.

Mr. HOWE: I never have been asked for detailed figures on the production of planes.

Mr. HANSON (York-Sunbury): Not for the production of planes, but I have asked for a statement, generally.

Mr. HOWE: I have said—

Mr. HANSON (York-Sunbury): I will sit down.

Mr. HOWE: Time and again we have received cabled requests from the foreign office not to give production figures on a great many items. Our own forces also do not like this information to be given out. Since, however, the training programme is well under way, there is no great secret about it, and I shall be glad to give production figures for the training programme.

Mr. HANSON (York-Sunbury): Now we are making a little progress. If the ministry cannot give all the details of the production in terms of units because of the request of the British government I will be the last man to ask for it; but they do it in Australia.

Mr. HOWE: Maybe so; they are not producing very much.

Mr. HANSON (York-Sunbury): Well, that is a matter of opinion. I suggest they are a little bit ahead in aircraft production.

Mr. HOWE: Oh, no.

Mr. HANSON (York-Sunbury): I would think so.

Mr. HOWE: They are over here trying to buy some planes from us.

Mr. HANSON (York-Sunbury): That is a matter of opinion, of course. Now I am trying to get a further statement, brought right down to date, about production in Australia.

Mr. HOWE: Get the number of units.

Mr. HANSON (York-Sunbury): I will, if they will give it to me. It has been cabled for; I think it will be obtained, and I shall be glad to table it in the house.

Mr. HOWE: Let me see it when it comes.

Mr. HANSON (York-Sunbury): I will.

Mr. FRASER (Northumberland, Ont.): Would the hon. gentleman permit a question? I should like to preface it by making a statement—

Mr. HANSON (York-Sunbury): Well, no; I don't think so. It is five minutes to six now.

Mr. FRASER (Northumberland, Ont.): It will only take one minute.

Mr. HANSON (York-Sunbury): Do not make the statement; just ask the question.

Mr. FRASER (Northumberland, Ont.): The aircraft industry feel that the whole industry was included in the statement of the hon. gentleman the other day in regard to bogging down, and I do not think he intended that. I believe he intended to refer only to Federal.

Mr. HANSON (York-Sunbury): What is that? I was referring only to Federal.

Mr. FRASER (Northumberland, Ont.): Did my hon. friend mean last Thursday that the whole aircraft industry of Canada had bogged down, or was he just referring to Federal? I think in fairness to himself and to the industry that might be cleared up.

Mr. HANSON (York-Sunbury): Of course if the hon. gentleman had read my statement it would be quite clear to him I was only referring to Federal. I am glad to answer that question. I had no reference at all to the aircraft industry as a whole.

Mr. FRASER (Northumberland, Ont.): Thank you very much.

Mr. HANSON (York-Sunbury): As a matter of fact I happen to know that for years before there was any action by this government the aircraft industry was trying to get the government interested in aircraft production in Canada, and in Avro-Ansons, without success. They were clamouring to get into the business.

Mr. HOWE: Never Avro-Ansons.

Mr. HANSON (York-Sunbury): The minister took a view to which I am not unsympathetic. I am trying to express what I think was in his mind, and what to a cautious man like myself would be quite reasonable: Should we foster the building up of an aircraft industry in Canada in peace time? That is one of the first questions the minister would have to ask himself. I have often wondered whether, if Canada were starting over again, it would foster the manufacturing of motor cars in Canada. I have often asked myself that question, though I know that in certain quarters it is not popular even to ask it. I will say this, that we fostered this industry at great cost to the consuming public of Canada.

Mr. MARTIN: And with great advantage.

Mr. HANSON (York-Sunbury): We did not start General Motors in Canada. Both parties are responsible for the fostering of the motor car industry in this country.

Mr. MARTIN: Thank God we have it to-day.

Mr. HANSON (York-Sunbury): Yes, I think that is the justification; but if we were starting over again in peace time would we commit ourselves to the expenditure we have had to make to build up the motor car industry in Canada? While I am on this point let me say that I agree with the hon. member's statement; thank God we have it to-day, because this is the one industry in Canada that has functioned.

Mr. HOWE: What does my hon. friend mean by "the one industry"?

Mr. HANSON (York-Sunbury): I am singling it out as the one big industry that has produced great results.

Mr. HOWE: There are many others.

Mr. MACDONALD (Kingston City): Shipbuilding.

Mr. HANSON (York-Sunbury): I do not think the shipbuilding programme is at all comparable to the motor car production. The government itself is operating $14,000,000 worth of motor cars of all kinds in Canada to-day. It has been the biggest buyer of motor cars in the history of the country; and to-day it has so many cars on hand that it does not know what to do with them. If you go up to London I am told you can see a whole field full of new motor car units.

Mr. MACDONALD (Brantford City): They are in and out every day.

Mr. HANSON (York-Sunbury): They are lying in a field, never used.

Mr. MACDONALD (Brantford City): They are being moved in and out all the time.

Mr. HANSON (York-Sunbury): Will the hon. gentleman just keep his peace? He can make his statement later on.

Mr. MACDONALD (Brantford City): I live a little closer to London than my hon. friend does.

Mr. HANSON (York-Sunbury): This is just an aside, in any event. I am going on with this statement, signed by these companies, to which I have referred. Then I understand that the matter came to the attention of the chairman of the war-time requirements board, and that he brought in a man from Detroit. There may be some difference

of opinion here; if there is an incorrect statement in what I am saying I will be the first to acknowledge it, but at all events that much is true and has been corroborated by the minister to-day. The chairman of the war-time requirements board brought in from the United States a leading executive in aircraft production, Mr. Breech, head of one of the divisions of General Motors, to investigate the situation and give his advice. I am informed that his views were in agreement with those of the Canadian manufacturers, and confirmed the hopelessness of the Federal Aircraft situation. The minister did not traverse that point, but that statement is made to me by the head of one of these aircraft companies.

Mr. HOWE: I will say that statement is absolutely false.

Mr. HANSON (York-Sunbury): I will say this—

Mr. HOWE: I do not say my hon. friend's statement is false; I say the information given him is absolutely false.

Mr. HANSON (York-Sunbury): All right; let us investigate that. The statement was made by this gentleman to these men, and the minister was not present.

Mr. HOWE: Quite so.

Mr. HANSON (York-Sunbury): All right. This statement was made to me by one of those gentlemen who were present, when the minister was not; and he tells me that this man did make that statement. I am going to leave it there, but if I call a witness in court I take the man who was present, not the man who was not present. Surely that is elementary.

There was a little interlude here this afternoon with respect to a question asked by the hon. member for Lake Centre. I am going to ask the Minister of Finance if he has a copy of a letter said to have been written by Mr. Breech to Mr. Sloan of General Motors.

Mr. ILSLEY: No.

Mr. HANSON (York-Sunbury): Did he ever have it?

Mr. ILSLEY: No. The first I ever heard of it was this afternoon.

Mr. HANSON (York-Sunbury): All right. I don't know anything about it—

Mr. HOWE: Then why talk about it?

Mr. HANSON (York-Sunbury): I am asking the question of the minister; I was told he had it. He gives me his word, and that is the end of it. I do not know whether there was ever such a letter.

Mr. HOWE: If my hon. friend gets hold of it will he let me see it?

Mr. HANSON (York-Sunbury): Yes, I will promise that. Will my hon. friend do the same?

Mr. HOWE: Yes, I will.

Mr. HANSON (York-Sunbury): All right; we will have reciprocity. I cannot possibly finish by six o'clock, so I think perhaps we had better report progress.

Progress reported.

BUSINESS OF THE HOUSE

Mr. HANSON (York-Sunbury): What will be the business to-morrow?

Mr. MACKENZIE KING: To-morrow Mr. Speaker leaves the chair without question put on going into committee of supply, so we will take up supply, I hope at an early stage in the proceedings, the supply being that of the Minister of Justice and later that of the Minister of Agriculture.

Mr. HANSON (York-Sunbury): Will we not go on with this discussion to-morrow?

Mr. MACKENZIE KING: No, I think we have had enough of this for a short time.

Mr. HANSON (York-Sunbury): I thought this was very urgent.

Mr. MACKENZIE KING: Well, perhaps it is less urgent that it was.

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

14

END OF VOLUME I